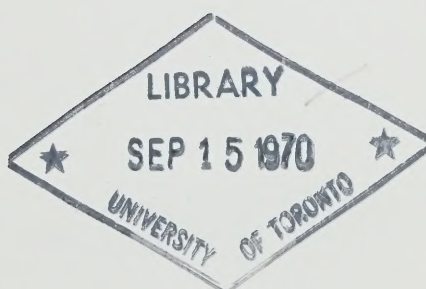


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FOREIGN MARKET DEVELOPMENT SECTION

RESEARCH BRANCH

TRADE AND INDUSTRY DIVISION

ONTARIO DEPARTMENT OF TRADE AND DEVELOPMENT

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Ontario Trade and development dept

FOREIGN MARKET STUDY

BRAZIL

Prepared by:

Foreign Market Development Section
Research Branch
Trade and Industry Division
950 Yonge Street
Toronto, Ontario

JVL
September, 1970

F O R E W O R D

Export Marketing research is a subject of considerable interest to our Department, to Ontario manufacturers and to businessmen who are or who may be interested in exports. The Foreign Market Studies which are undertaken by our Section, are written for use by our Trade and Industry Division, and specifically by our Marketing Branch and Trade Mission members. These studies depict the economic background of the countries that will be visited. For this reason our Foreign Market Studies are working documents designed for the use of the Department and cannot be taken either explicitly or implicitly as expressing the opinion or position of the Department of Trade and Development.

Equivalents of metric, Imperial British and United States units of measure

Metric units	Imperial British and U.S. equivalents	Imperial British and U.S. units	Metric equivalents
Length —			
1 centimetre — centimètre (cm).....	0.3937008 inch	1 inch.....	2.54000 cm
1 metre — mètre (m).....	{ 3.280840 feet 1.093613 yard	1 foot.....	30.480 cm
1 kilometre — kilomètre (km).....	{ 0.6213712 mile 0.5399568 int. naut. mile	1 yard.....	0.9144 m
		1 mile.....	1609.344 m
		1 international nautical mile.....	1852.000 m
Area —			
1 square centimetre — cm ²	0.1550003 square inch	1 square inch.....	6.45160 cm ²
1 square metre — m ²	{ 10.76391 square feet 1.195990 square yard	1 square foot.....	9.290304 dm ²
1 hectare — ha.....	2.471054 acres	1 square yard.....	0.83612736 m ²
1 square kilometre — km ²	0.3861022 square mile	1 acre.....	0.4046856 ha
		1 square mile.....	2.589988 km ²
Volume:			
1 cubic centimetre — cm ³	0.06102374 cubic inch	1 cubic inch.....	16.38706 cm ³
1 cubic metre — m ³	{ 35.31467 cubic feet 1.307951 cubic yard	1 cubic foot.....	28.316847 dm ³
		1 cubic yard.....	0.76455486 m ³
Capacity —			
1 litre (l).....	{ 0.8798766 imp. quart 1.056688 U.S. liq. quart 0.908083 U.S. dry quart	1 Imperial British quart.....	1.136523 l
1 hectolitre (hl).....	{ 21.99692 imp. gallons 26.417200 U.S. gallons 2.749614 imp. bushels 2.837760 U.S. bushels	1 U.S. liquid quart.....	0.9463529 l
		1 U.S. dry quart.....	1.1012208 l
		1 Imperial gallon.....	4.546092 l
		1 U.S. gallon.....	3.785412 l
		1 Imperial bushel.....	36.36873 l
		1 U.S. bushel.....	35.239067 l
Weight or mass —			
1 kilogramme (kg).....	{ 35.27396 av. ounces 32.15075 troy ounces 2.204623 av. pounds	1 av. ounce.....	28.349523 g
		1 troy ounce.....	31.10348 g
		1 av. pound.....	453.59237 g
		1 centerweight (100 lb.).....	45.359237 kg
		1 hundredweight (112 lb.).....	50.802345 kg
1 ton —	{ 1.1023113 short tons 0.9842065 long tons	1 short ton.....	0.9071847 t
		1 long ton.....	1.0160469 t

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BRAZIL



MARKET INDICATORS

	<u>Brazil</u>	<u>Canada</u>
1. Population (1969)	90.2 million	21.1 million
2. GNP (1969)		
- Total	\$23.1 billion	\$78 billion
- Per capita	\$194	\$3,700
3. Passenger cars in use (1969)	1.6 million	6.2 million
Telephones in use (1968)	1.5 million	8.4 million
Television sets in use (1968)	5.5 million	7.3 million
4. Steel production (1969)	3.7 million tons(67)	10 million tons
Cement production (1969)	7.3 million metric tons	7.4 million tons
Electricity production (1969)	36.1 billion kwh.	190 billion kwh.
Motor vehicle production	.2 million (1968)	1.3 million (1969)
5. Total exports	\$1.9 billion	\$15.0 billion
Total imports	\$2.2 billion	\$14.2 billion
6. International liquidity (1969)	\$.4 billion	\$3.3 billion

INTRODUCTION

Brazil is a land of paradoxes. It is at once a country of riches and poverty, of plenty and scarcity, of long-settled areas and unexplored virgin territory, of modern twentieth-century civilization and primitive native culture. Its economy is varied and complex. It ranges from the primitive economy of the Amazon region to the modern industrial region of Sao Paulo.

Brazil is one of the largest countries in the world. It has a wealth of mineral and power potential and it has a fast growing population. Economically, there seems to be no obstacle to a period of very fast growth for Brazil in the next few years.

The rapid rise of industry has greatly changed the structure of the economy. These changes have given rise to a great rural-urban and inter-regional migration. In 1949, about two-thirds of the population was rural, today it is less than half. The economic imbalance between North-East and South is gradually being equalized. Domestic capital played a major role in the development of industry, but it was supplemented to an important degree by foreign capital.

Although agriculture has not been a leading growth sector in Brazil over the past two decades, it remains of major importance. It accounts for about 80% of Brazil's foreign exchange earnings, and it provides employment for over 50% of the labour force. The enormous lowlands of the Amazon basin hold possibilities for the production of agricultural commodities on a large scale.

The more restrictive fiscal and monetary policies pursued through 1969 have succeeded in moderating somewhat the rate of price increases. The money supply in 1969 rose at an annual rate of about 20%, whereas in 1968 the rise was 42%. In 1969, Brazil recorded a US\$561 million surplus in its Balance of Payments, which led to a sizeable increase in Brazil's exchange reserves. Two main factors contributed to this surplus: a 20% expansion of exports and only 6% in imports, and secondly, the inflow of funds in the form of loans and financing which increased from US\$553 million in 1968 to US\$800 million in 1969.

The Gross National Product in 1968 was US\$31 billion and per capita income about \$360. The regional distribution of income in Brazil is uneven. In the Northeast, the per capita income is half of the national average while in the Rio de Janeiro area it is almost three times the national average. This poses serious social-economic problems and limits the size of the consumer market.

The economic targets for 1970 recently announced by the Brazilian Government are: achievement of an 8-9% increase in the GNP, reduction of the annual rate of inflation to below 20%, and a \$50 million to \$100 million increase in foreign exchange reserves.

In foreign trade, there are favourable prospects for continued heavy demand for those imported goods which are needed to supplement domestic production and help to achieve fulfillment of the Brazilian development plans.

The recent economic policies of the Brazilian Government toward stabilizing the economy and curbing inflation have generally been successful. Looking to the future, there is no doubt that Brazil has tremendous economic potential, and with such immense possibilities, Brazil is a land of promise and opportunity.

GENERAL INFORMATION

1. Geography and Climate

With an area of 3,286,473 square miles, Brazil is the fifth largest country in the world, ranking after the Soviet Union, Canada, the United States and China. It has a land frontier of 9,768 miles with 4,603 miles of coastline. The greatest extensions, north-south and east-west, are almost the same - about 2,700 miles. Brazil has common frontiers with all the South American countries except Chile and Ecuador. In the north, Brazil is bordered by the three Guianas, Venezuela and Colombia; on the west by Peru and Bolivia; and on the south by Paraguay, Argentina and Uruguay. On the east side is the Atlantic Ocean.

Brazil is essentially formed by a plateau, the highest edge of which is known as the Great Escarpment. 57% of Brazil is made up of highlands. Lowland areas, which cover 40% of Brazil, include the narrow strip of coastal plain between the Great Escarpment and the coastline. More than half of Brazil lies at about 650 feet above sea level, but only a small part rises above 3,000 feet and the highest peaks have an altitude of less than 10,000 feet.

Brazil has one of the most extensive river systems in the world. The three most important navigable rivers in Brazil are the Amazon, the Sao Francisco and the Parana-Paraguay.

The Amazon is navigable by ocean steamers to a distance of 2,300 miles upstream to Iquitos in Peru, and its tributaries drain the entire northern region of the country or 56.25% of its total area. The Sao Francisco, over 1,600 miles in length, is the only major river entirely within Brazilian territory

Geographically, Brazil is divided into five regions: North, Northeast, East, South and Central-West. However, economically, Brazil can be divided into three large regions: North-Centre, Northeast and South. The South, with 17.5% of Brazil's total area and 60% of its population, accounts for more than 80% of the national income, while the North-Centre with 9% of the population and 64% of total area, participates with 4% of the national income. The Northeast with 31% of the population and 18.5% of total area, accounts for 15% of Brazil's national income.*

*North-Centre embraces the States of Amazonas, Para, Acre, Mato Grosso, Goias, Territories of Amapa, Roraima and Rondonia.

The Northeast: States of Maranhao, Piaui, Ceara, Rio Grande do Norte, Paraiba, Pernambuco, Alagoas, Sergipe, Bahia, Territory of Fernando Noronha.

The South: States of Espirito Santo, Minas Gerais, Rio de Janeiro, Guanabara, Sao Paulo, Parana, Santa Catarina and Rio Grande do Sul.

Economic development, particularly in the industrial sector, has been concentrated to a large extent in the southeastern states of Minas Gerais, Guanabara, Parana and Sao Paulo.

The Federal capital is Brasilia, a new city (inaugurated in 1960) with an estimated population of 440,000 (1970). Rio de Janeiro has a population of 4.4 million (1970). With a population of approximately 6.4 million (1970), Sao Paulo is, after Buenos Aires, the largest industrial banking and trading centre in South America. Other important cities are Belo Horizonte with 1.3 million population, Recife, 1.2 million population and Porto Alegre with one million.

The two largest Brazilian ports are Santos and Rio de Janeiro, followed by Vitoria, Porto Alegre, Rio Grande and Recife.

The Brazilian climate varies from tropical to temperate. Except for certain restricted areas with lower temperatures, annual temperature ranges between 60°F and 83°F. The difference between the temperature of the coolest months and that of the warmest are increases with the latitude. Frost occurs with some frequency in the three most southern states. Heavy rainfall and relative humidity are encountered in the Amazon region and on the East Coast, but the heat is tempered by trade winds and the proximity of the sea.

In some areas of the country - in the east, south and central Brazil, extremely heavy rains occasionally fall within a short period of time. Brazil is free from earthquakes, cyclones, hurricanes and similar disturbances.

2. Human Resources

Brazil is the most populous country in South America. The 1960 census gave Brazil 70.97 million inhabitants, and it is estimated that in 1969 that number had grown to roughly 95.2 million people. Most of the population, about 75%, is still concentrated within 100 miles of the coast. The greatest part of the population lives in the three provinces of Sao Paulo, Minas Gerais and Rio Grande do Sul. Density is twenty-six inhabitants per square mile. Brazil's population growth is very high, about 3.1% per year. Infant mortality is declining, although it is still high (112 per 1000 infant fatalities in less than one year). If this population expansion continues at its present pace, the country will have approximately 123 million inhabitants by 1980, and approximately 230 million by the year 2000.

The basic Brazilian ethnic stock is Portuguese, but there are also important and largely assimilated African and American Indian components. During this century there has been an influx of immigrants, primarily Italian, German and Japanese. Racial friction is almost nonexistent; Brazil has been called the greatest melting pot of people in the world. Here are found representatives of practically every race.

In recent years a growing middle class has emerged, based on the small farm movement and the growth in the number of small manufacturers, merchants, engineers and professional and clerical employees which has accompanied industrialization.

At present, Brazil is faced with a 'population explosion', which tends to become more acute as medical care and health conditions improve and the mortality rate becomes more favourable. Population distribution by age shows a majority of young people. The 1960 census cited 52.9% of the population as being nineteen years old or younger.

Immigration plays an important part in the development of Brazil. From 1951 to 1958, about 502,600 immigrants came into the country, mainly Portuguese, Spaniards and Italians.

Internal migrations in Brazil are very high. There are two main types of internal migration. One is a growing migration from rural areas to the larger urban areas by an appreciable number of agricultural workers. Other population movements reflect the desire to settle in the areas of Mato Grosso and Goias. While many of these migrants have been productively employed in services and industry, the plight of the large number who have not is the most important reason why a more consistent and satisfactory rate of real growth is the overriding objective of current economic policy.

The troublesome feature of the internal migration from rural areas to urban areas is, that the cities have not been able to absorb the additional labour force. The lag in investments and the lack of training of the rural population, are resulting in the formation of slum areas adjacent to the large cities. These ramshackle "favelas" on the fringes of many Brazilian cities testify to Brazilian difficulties in coping with the full flood of its rural migrants.

The overall percentage of illiterates among Brazilians over fifteen years of age is 39%; however, in the rural areas, this percentage is still higher. The average level of schooling is 2.4 years (1960). The school drop-out rate is extremely high - 95% between the fourth and sixth grade alone.

According to the census of 1960, there were 22.65 million people in the labour force. By principal activity, 51.6% were in agriculture, livestock and forestry; 14.86% in the

industries; 6.71% in commerce; 4.80% in transport and communications; 12.07% in services and 9.92% in other activities.

3. Constitution and Government

The Brazilian Constitution establishes a presidential system with three levels of power: the executive, the legislative and the judicial. Legislative power is exercised by the National Congress which is composed of the Chamber of Deputies and the Federal Senate. Executive power is exercised by the President of the Republic, aided by the Ministers of State. Judicial power in the Union is exercised by the Supreme Federal Tribunal, the Federal Recourse Tribunals and federal judges.

The United States of Brazil is a federal republic now comprising twenty-two states, four territories and the Federal District.

A new constitution was promulgated on October 17, 1969, in which conditions for the establishment of political parties are eased. Congressional representation will be achieved when 5% of the total electorate votes for a party, with a minimum of 7% of the vote in each of the seven States.

The actual President is Garrastazu Medici.

STRUCTURE OF THE ECONOMY

1. General

Brazil's economy is based on its natural resources with rich deposits of minerals, an abundance of forest products and widespread areas of fertile farmland. Brazil is one of the world's important agricultural and livestock producing nations. Brazil's manufacturing industry is progressing rapidly and it has reached self-sufficiency in many consumer, light and heavy capital goods.

Various economic indicators show that the Brazilian economy in 1969 was recuperating from the setback of previous years. Economic development in Brazil is taking place through accelerated growth of the industrial sector. The favourable economic expansion in 1968, provides a solid basis for the optimism regarding the outlook for 1970.

Recent government anti-inflationary measures have been generally well received. The revival in economic activity continued throughout 1969. In January 1970, the Brazilian Government projected an overall growth between 7 and 9% annually for the period 1969-1973. This is based on a 6% annual growth in the agriculture sector, 10% in manufacturing, 8% in transportation and communications, and 10% in construction.

New investment, primarily in industry, reached US\$3.1 billion in 1968, or more than 15% above the 1967 level.

Large capital inflows and a moderate 7% rise in total imports (FOB) increased foreign exchange reserves from \$200 million in 1968 to \$600 million at the end of 1969. In February 1970, foreign exchange stood at \$728 million.

In the past, Brazilian exports have been composed almost entirely of primary goods and foodstuffs which world market prices varied radically from year to year. With government incentives, Brazil has been able to increase the percentage of manufactured goods exports, whose prices tend to remain stable.

According to research of the Getulio Vargas Foundation, the price index of imported goods increased from 1953 to 1968 about 76%, while the majority of Brazilian export items increased in quantity but diminished in price. One of the fundamental impediments to Brazilian economic growth is that a large proportion of Brazilian population is outside the "money economy".

In 1969, exports increased close to 20% to US\$2.3 billion, with manufacturers contributing 12% of the total. At the same time, imports rose only 3.5% to \$2.2 billion. In 1970, exports are expected to reach \$2.4 billion, with imports being held to \$2.3 billion. However, it is a long road to the Brazilian

basic aim in its economic development policy, which is to increase significantly its own industrial capacity and limit import dependence to such commodities as fuel, chemical products and capital goods.

2. Agriculture, Fishery and Forestry

a) Agriculture: Brazil is primarily an agricultural country and agriculture is the mainstay of the Brazilian economy. 56.6% of the Brazilian working population is occupied in agriculture, livestock and forestry activities. About 80% of Brazilian foreign exchange is derived from exports of agricultural products. Brazil leads in the export of coffee and is one of the world's largest exporters of cocoa, sugar, sisal, cotton, vegetable oils and waxes.

According to the Oxford Economic Atlas of the world, land use in Brazil is as follows:

Arable and orchard	2.2%
Permanent meadows and pasture	15.6%
Forest and woodland	46.5%
Waste and unproductive land	35.7%

Approximately 45 million acres are cultivated; the bulk of this acreage occurs in the four southern States of Sao Paulo, Parana, Santa Catarina and Rio Grande do Sul. But even in these States, the percentage of land under cultivation is small. In Sao Paulo it is under 20% and in the other three under 10%.

One characteristic of the agricultural sector in Brazil is the large number of small plots (minifundia), along with large holdings which, though few in number, constitute a considerable part of the country's farmland.

Holdings of less than ten hectares represented about 45% of the number of all farms in 1960, but occupied only 2.2% of total farmland. On the other hand, large holdings of 1000 hectares or more represented only 1% of the total number of farms, but accounted for almost half of all farmlands. A great part of this area is uncultivated or cultivated inefficiently.

In 1960 (last census) there were 3.35 million rural properties, covering 265.45 million hectares or 31% of the country's land surface. 44% of the total properties are less than ten hectares and occupied only 2.23% of the total surface area, while 19% of the total area was occupied by only 1,710 farms (10,000 hectares and more). The agricultural sector employs half of Brazil's population and accounts for one-third of its GNP and three-quarters of its exports.

According to the Europa Year Book, the select production, 1965-1968, in Brazil was as follows:

('000 tons)				
	1965	1966	1967	1968
Coffee	3,664	2,731	3,015	2,115
Cotton (Ginned)	1,986	1,865	1,692	1,999
Maize	12,112	11,371	12,825	12,814
Beans (<i>Feijão</i>)	2,290	2,148	2,554	2,420
Rice (unhulled)	7,580	5,802	6,792	6,652
Manioc	24,993	24,710	27,268	29,203
Wheat	585	615	629	856
Potatoes (incl. Sweet Potatoes)	2,967	3,241	3,692	3,727
Sugar Cane	75,853	75,788	77,087	76,611
Cocoa	161	170	195	149
Oranges	3,055	2,353	2,505	2,717
Tobacco Leaf	248	228	243	258
Bananas (mill.)	6,970	7,117	8,056	8,437
Ground Nuts (unhulled)	743	895	751	754

In terms of value of production, coffee is the principal agricultural crop in Brazil, followed by corn, rice, sugar-cane, cotton, beans and manioc.

Brazil is the largest coffee-producing country in the world. However, Brazil's output of coffee has been rising at a much slower rate than that of other major producing nations. Recently, coffee production has been exceeding world consumption by large quantities and the accumulation of surpluses represents a very heavy burden on the Brazilian economy.

The trend towards increasing use of instant coffee offers Brazil the opportunity of significantly increasing its exports of manufactures.

The production of coffee in Brazil, total and by States, 1965-1968, was as follows:

STATES	QUANTITY (tons)			VALUE ('000 New Cruzeiros)		
	1966	1967	1968	1966	1967	1968
Pará	456	518	542	135	151	163
Ceará	9,827	9,916	10,278	2,405	2,531	3,190
Pernambuco	673	687	1,105	90	115	221
Alagoas	24,854	14,847	15,808	5,172	4,335	5,508
Bahia	1,887	843	1,012	423	252	360
Minas Gerais	44,535	39,964	42,684	8,548	8,713	12,496
Espírito Santo	344,600	246,160	240,000	85,439	81,564	107,502
Rio de Janeiro	207,560	90,800	196,000	38,198	21,405	94,968
São Paulo	32,025	20,360	13,971	5,124	3,861	3,207
Paraná	744,000	1,020,000	552,000	213,516	375,566	320,528
Santa Catarina	901,480	1,510,240	1,004,000	266,859	575,598	607,809
Mato Grosso	3,845	3,512	3,283	590	642	764
Goiás	39,442	224,492	12,633	8,898	5,997	4,286
	50,113	32,169	21,727	9,439	7,959	6,277
TOTAL BRAZIL	2,405,737	3,014,991	2,115,404	644,919	1,088,755	1,167,387

Coffee is of vital importance to Brazil. It represents approximately 40% of Brazilian total export income. Brazil is a member of the International Coffee Agreement (ICA) which has considerable influence in the coffee trade and the orientation of the flow of exports.

In 1969, Canada's coffee imports from Brazil amounted to \$23.6 million.

Brazil is Latin America's foremost cotton producer and the world's fifth largest. Cotton accounts for about 6.0% of Brazil's exports. Projected production figures for 1968/69 are 1.9 million metric tons, with 500,000 tons for export. Parana is the chief cotton producing state. The biggest buyers of Brazilian cotton are Germany (East and West), the Netherlands, Hong Kong, Japan and Belgium-Luxembourg.

Several crops, besides coffee and cotton, have considerable importance in their contribution to export earnings, e.g., sugar, soybeans, sisal, cocoa, tobacco and nuts.

The Brazilian Ministry of Finance has forecast a rise of 15-20% in farm output for the 1970/71 crop season over the 1969/70 crops. Agricultural production is getting special attention in 1970 via low cost credit, tax incentives and a network of new storages, to bring its growth rate to 6-8%. The expected good crops will decrease pressure on food and stimulate exports.

Farm productivity in general in Brazil is low. The principal farm tool continues to be the hoe. Due to their smallness in size, many farms are not suitable for mechanization. In 1968, there were approximately 250,000 tractors. The use of fertilizers is very limited because of relatively high prices.

The development of agriculture has been hindered principally by the inadequacy of transportation facilities, insufficient capital and credit availability, as well as outdated agricultural methods.

Insufficient network of warehouses and silos is a serious deterrent to agricultural policy. The lack of storage facilities often forces the farmer to dump his total current production on the market.

Brazil has one of the lowest tractor densities in the world. The number of tractors on farms at the end of 1968 was estimated at 100,000 units, equivalent to about one per 770 acres of arable land or about 34 farms per tractor. The principal reasons for the scarcity of tractors in Brazil are the size of the farms and their cost in relation to farm income.

The increase in overall agricultural production in Brazil results mainly from an increase in cultivated area, but an increase in agricultural productivity is one of the essential objectives of agricultural policy in Brazil.

Livestock

Breeding and raising livestock is one of the basic factors in Brazilian agriculture. Brazil ranks third on the world basis in numbers of cattle and hogs. The following table shows an increasing trend in the animal population in Brazil (1963-1968):

LIVESTOCK
('000)

YEAR	CATTLE	HORSES	DONKEYS AND MULES	PIGS	SHEEP	GOATS
1963 . .	79,855	8,903	7,138	55,990	21,033	13,210
1964 . .	84,167	9,222	7,476	58,705	21,906	13,826
1965 . .	90,505	9,344	7,707	63,534	22,312	14,258
1966 . .	89,969	9,155	7,603	62,080	23,170	13,927
1967 . .	89,896	9,238	7,775	63,406	23,065	14,719
1968 . .	92,276	9,210	7,864	65,040	24,585	14,719

Source: The Europa Year Book

Large areas of the centre of Brazil, notably the southern part of the State of Goia and parts of the State of Bahia as well as the States of Minas Gerais, Mato Grosso, Sao Paulo, Rio Grande do Sul, are eminently suitable for the raising of cattle. The State of Sao Paulo is by far the largest poultry-producing area in Brazil.

Greater numbers of cattle and pigs occur in Brazil than in Argentina. Beef production, however, is considerably lower and beef exports much smaller. The fundamental reason for the low exports, as compared with Argentina, is that Brazil has a much greater home market to serve, although deficiencies in transport facilities and packing plants also contribute to the situation.

Brazil ranks, after Argentina, as the second largest exporter of hides and skins in South America. It imports regularly pure bred animals which are sold to farmers for crossing with the native stock. Dairying is not developed as a highly specialized industry.

Although the Brazilian cattle population is one of the largest in the world, most production is on a relatively small scale. The reason for the relatively low production lies in the difficulties in transporting animals to the large consumption centres.

b) Fishery: Despite Brazil's extensive coastline and thousands of miles of rivers and streams, the Brazilian fishing industry is not large and fish makes a comparatively small contribution to the diet of Brazil's populace. The Brazilian fishing industry has very low productivity. Lack of adequate equipment leads to an average catch of a little over one ton yearly per fisherman, in comparison with 60 tons for the Norwegian fisherman.

In 1962, the Superintendency of Fishery Development (SUDEPE), came into being, as a federal autonomous agency with as its main objective the preparation and promotion of a national plan for fishery development. The new legislation grants special incentives to fishing. Until the fiscal year 1972, the importation of fishing boats, equipment, machinery, accessories, spare parts, tools and necessary outfits for the fishing industry will be exempt from import duties, from the tax on industrial goods and from customs clearance taxes, provided the importation is made by legal entities, in accordance with projects which have been approved by SUDEPE.

Similar exemptions are granted to the importation of machinery, equipment, spare parts, tools and accessories by firms engaged in the production of capital goods and of items designed for utilization in the catching, industrialization, transportation and commercialization of fish.*

With these incentives, some progress is being made in overcoming the greatest obstacles to the development of the fishing industry, which have been its lack of modern equipment and the inadequacy of refrigerated storage space and transportation facilities.

The reported fish catch, 1963-1968, in Brazil was as follows:

(Metric Tons)					
1963	1964	1965	1966	1967	1968
421,356	377,008	422,289	435,787	429,422	500,387

Source: The Europa Year Book

A survey made by the Brazilian Superintendency for Development of Fisheries (SUDEPE) in 1966, showed a total of 328 fishing vessels of over eight tons holding capacity, employing a total of 3,745 crew members. Fishing boats of less than eight tons cargo capacity totalled 37,519, of which 27,945 were canoes.

*According to projects approved by the Ministry of Industry and Commerce.

In 1967, fish and preparations accounted for only .3% of exports, while Brazil imported \$26,195,000 of fish and preparations.

c) Forestry: Roughly 56% of the country is covered by three major forest areas: the Amazon tropical rain forest, the coastal subtropical rain forest along the eastern seaboard and the Parana Pine Forests of the temperate southern highlands.

According to the FAO's World Forest Inventory, Brazil had 12.0% of the globe's forest, second only, after the Soviet Union, in total forest area. However, in accessible forest, Brazil ranks fourth, after the United States, Canada and the Soviet Union.

About three million hectares of the forest being utilized is in coniferous trees, 84.9 million hectares in non-conifers, and 1.0 million hectares in mixed stands. Except for one coniferous type (the so-called Parana pine), the trees are broad leaved.

Apart from timber, the forest provides such valuable commercial products as rubber, carnauba wax, babasow nuts, oiticica and Brazil nuts, the exports of some of which are more important than exports of timber.

The broad range of latitudes, altitudes and soils to be found in Brazil is conducive to wide variations in the composition of the forest. The exploitation of the forest has been limited in various areas by the problems of accessibility, transportation, and labour shortages. Most of the logs cut in Brazil are used for fuel. The Parana pine is the most important tree from a commercial standpoint.

Lumber occupies an important place among Brazil's exports.

Brazilian forests of the north yield thousands of tons of Brazil nuts which are exported to England and the United States. The total export of nuts from Brazil in 1967 was \$12,442,000.

Brazil exported \$67,507,000 worth of wood, lumber and cork in 1967. The state of Parana is carrying out a reforestation project which envisages the planting of 200 million trees over a four year period.

3. Industry

Industrial expansion has been the most significant feature of the Brazilian economy in the recent decades. Even before the Second World War, manufacturing became an important part of economic activities in Brazil. However, the difficulties and opportunities during the Second War did much to consolidate and foster Brazilian industry.

A considerable number of industries with high costs and low productivity sprang up in Brazil in the lush boom years of the late 1950's. This rapid expansion in the manufacturing industry throughout the 1950's came to a virtual halt during the 1963-65 period, when the gross value of industrial production expanded by an average of less than 1% a year in real terms. This has been attributed primarily to recessionary results of new anti-inflationary policies adopted by the Government of Brazil.

In the early stages of Brazil's industrial development, manufacturing was almost entirely confined to the production of consumer goods, but during recent years the heavier type industries have begun to assume importance. However, Brazil has a large, relatively sophisticated industrial base, ranging from basic industries such as steel, chemicals and petrochemicals, to finished consumer goods.

Industrialization nowadays is a necessity for Brazil. Brazil's population is increasing about 2.5 million persons yearly and it needs over 1 million new jobs annually. Agriculture cannot absorb the new labour force and industrialization is the only solution. The Brazilian Government has adopted a programme of encouraging the production of basic manufactures. This programme also results in great pressure on foreign exchange resources for the purchase of capital equipment.

At the present time, 15% of the gainfully employed population is engaged in manufacturing, while manufactured goods account for about one-fifth by value of Brazilian exports.

Investment in industry has grown very rapidly, although an important part of the increased capital represents the reinvestment of reserves and of profits earned by foreign investors who have not been able to remit them abroad.

The areas adjacent to the cities of Sao Paulo, Rio de Janeiro and Belo Horizonte are the most highly industrialized sections of the country. The metropolitan area of Sao Paulo is one of the largest industrial centres in Latin America.

In general, industry in Brazil is privately owned with the exception of a few government controlled corporations operating in heavy industry and in railway, shipping and communications. The Government has a monopoly in petroleum development.

The production of selected commodities in Brazil, 1966-1968, was as follows:

	UNIT	1966	1967	1968
Crude Petroleum . . .	('000 cu. metres)	6,749	8,509	9,510
Asphalt	(tons)	400,864	503,339	673,024
Electrical Power . . .	(million kWh.)	32,654	34,238	38,181
Steel Ingots	('000 metric tons)	3,782	3,733	4,453
Rolled Steel	(")	192	263	334
Shaped and Steel Bars . .	(")	606	638	796
Steel Plates	(")	1,186	1,071	1,442
Cement	(")	6,113	6,369	7,241
Pig Iron	(")	2,924	3,069	3,369
Sugar	(")	3,881	4,318	4,204
Aluminium Ingots . . .	(tons)	26,886	29,701	n.a.
Aluminium Rolled Products	(")	32,438	34,506	n.a.
Paper	(")	720,521	773,209	n.a.
Fertilizers	(")	417,449	553,647	603,433
Tyres	('000)	5,241	5,786	6,581
Motor Vehicles	(")	225	225	279

Source: The Europa Year Book

On an individual basis, food processing industries lead in value of output, with textiles second. The latter industry is also the largest employer. Metal processing, chemicals and transportation are also important, and together with food and textiles, account for almost two-thirds of total production. Other less sizeable but nonetheless important groups include machinery, non-metallic minerals, electrical and communications equipment, wood, furniture, paper, clothing and shoes, rubber and leather.

Iron and Steel Industry: With its large deposits of iron ore, the creation of an iron and steel industry was a natural development for Brazil, and its expansion has received great impetus in recent years with the increasing demand from various industries for steel products.

Brazil's steel plants are located in the States of Minas Gerais, Sao Paulo and Rio de Janeiro because of ores in Minas Gerais and because of transportation facilities for imported coal, and the large markets of Sao Paulo and Guanabara States.

In recent years, steel production has outpaced the growth of consumption, sharply reducing Brazil's dependence on imports. Over the last five years domestic production of rolled steel has covered well over 90% of consumption, compared to 75% in 1959. Output of crude steel rose from 1.99 million tons in 1961 to 10.79 million in 1968. Brazil seems to be well on its way to becoming a world wide supplier of high quality, competitively priced, semi-finished steel products.

Per capita steel consumption is low. Apparent consumption expressed in terms of crude steel in Brazil in 1967 was 47 Kgs per capita*. The construction sector is the largest user of steel followed by wire-drawing mills and the automotive industry.

Motor Vehicles: The motor vehicles industry began to develop after the Second World War. Initially, its aim was to produce replacement parts for imported vehicles, but it later directed its efforts to producing parts for the first assembly plants installed in Brazil.

In the decade between 1957-1967, the assembly of cars and trucks in Brazil had increased approximately seven-fold. During this period, domestically produced vehicles almost completely replaced imports and Government decrees forced manufacturers to increase the domestic content of locally assembled vehicles to about 99%.

In Brazil, there are ten manufacturers of vehicles. Manufacturing costs are high by world standards. A light truck manufactured in Brazil, with 99% domestic content, costs 80% more than an imported truck**.

Subsidiaries of foreign companies have played a major role in the development of the motor vehicle industry and account for about two-thirds of the annual output. The industry, however, is still a high cost producer. The prices per unit are much higher than the prices of comparable units produced in Canada or the United States.

* In Canada apparent consumption expressed in terms of crude steel, 1967 was 446 kgs. (Statistical Data: United Nations Statistical Year Book).

** Source: Jack Baranson: Automotive Industries in Developing Countries - World Bank Report, May 1968.

Brazil is today among the ten largest world producers of motor vehicles. The principal plants are Ford, General Motors, Volkswagen, Mercedes Benz and Berliet, Alfa Romeo and Fiat.

The production of motor vehicles in 1968 reached a new record level of 280,000 units, of which 154,972 units were Volkswagens. A survey published in a Sao Paulo newspaper stated that production of motor vehicles is expected to rise by 12 to 15% a year from 1970 onward. To achieve this target nearly \$540 million is to be invested over the next five years, in expansion programmes and introducing new models. Motor vehicle output rose from 280,000 units in 1968, to 370,000 units in 1969. Estimates are that by 1975, production will reach 500,000 units. According to statistics as at June 30, 1969, there were 3.5 million automotive vehicles registered in Brazil.

Electrical Industries: Brazil produces a wide range of electrical goods from appliances and electrical equipment and machinery to telecommunications equipment.

Brazil is manufacturing TV sets, radios, phonographs, domestic refrigerators, air conditioners, washing machines, floor polishers, blenders, vacuum cleaners, etc.

Brazil produces transmission lines, insulators, high tension cables, transformers, circuit breakers, etc. It also produces all kinds of electric motors, diesel engine alternators, etc. Production of heavier types of electrical equipment is however limited and the output of these is not large.

Some electrical equipment is still imported by Brazil, as well as a small percentage of components for machinery produced in the country.

Textile Industry: The textile industry occupies an important place in Brazilian manufacturing. The most important is the manufacture of cotton goods, followed by the wool, rayon and flax industries. It is the largest single industry, employing over 255,000 workers in some 2275 establishments. Cotton is the most important branch of textiles.

In Brazil, there are several hundred cotton mills, mainly in Sao Paulo, Recife and Rio de Janeiro. The industry has had a number of difficulties to contend with in recent years.

A sharp rise in the price of cotton inside Brazil, the fact that exports no longer enjoy the same importance as they achieved in World War II and post-war years, and Government restrictions against imports of cheaper cotton from world markets, were some of the reasons for continued difficulties.

The woollen textile industry is old and established but further expansion has not taken place in recent years. The industry is moving steadily towards producing finer qualities, and imports of fine quality worsteds have been progressively reduced. The use of artificial and synthetic fibres in Brazil is increasing.

There is a high degree of obsolescence in the textile machinery in Brazil. The Brazilian Government has worked out a large textile re-equipment programme with an estimated total cost of \$264 million.

Food Industries: A large number of industries is concerned with the preparation of foodstuffs. Meat-packing is important, especially in the southern States; flour milling is important in the Rio de Janeiro area, where it is based upon imported wheat. There are nearly 300 sugar refineries in the north; dairy products are produced in the Eastern and Southern States.

Chemicals: A very wide range of chemical products is now manufactured in Brazil, frequently by subsidiaries of foreign firms. The manufacture of pharmaceutical products is well established.

In paints and varnishes, inks and cleaning products, Brazil is practically self-sufficient. Production of fertilizers has also developed. More recently, Brazil has made considerable progress in the manufacture of plastics.

Petrochemicals is now a major growth industry, as were motor vehicles in the 1950's and shipbuilding and iron and steel in the 1960's.

Cement Industry: The Brazilian cement industry has been expanding vigorously. From 774,387 metric tons in 1945, production increased to 7,300,000 metric tons in 1968.

The output of Portland cement is sufficient to meet Brazil's needs, but transport difficulties continue to obstruct the fulfillment of the demands for cement in some regions. To bridge the gap between production and consumption of cement, Brazil is importing cement.

Pulp and Paper Industry: The pulp and paper industry is concentrated mainly in the South, near the more populated consumer centres. Domestic production covers a significant part of domestic needs. The gap between domestic production and consumption is filled by imports.

The development of pulp and paper is hampered by the lack of private investment and a shortage of adequate basic raw materials*.

*Parana Pine which has excellent fiber is dwindling rapidly due to increasing depletion of the lumber industry.

4. Mining

Known mineral resources are almost unlimited in variety and size of reserves, and further exploration continues to add new discoveries. Iron ore reserves are especially large and constitute an important export. An extensive petroleum exploration programme is underway, and significant reserves of almost all industrial metals, except copper, are found in Brazil.

However, the present Brazilian mineral production embraces some dozens of minerals. As a matter of fact most of the Brazilian soil has not been adequately surveyed, due to lack of technical personnel and financial resources.

The Brazilian production of selected minerals, 1963-1968, was as follows:

	1963	1964	1965	1966	1967	1968
Bauxite . . . ('000 metric tons)	170	132	188	250	303	314
Coal . . . (" " ")	2,828	2,990	3,137	3,665	4,339	4,828
Iron Ore . . . (" " ")	11,219	16,962	20,753	23,254	22,298	25,123
Manganese Ore . . . (" " ")	1,254	1,349	1,396	1,455	1,358	2,097
Lead . . . (" " ")	240	236	267	332	296	321
Dolomite . . . (" " ")	478	330	223	201	225	353
Sea Salt . . . (" " ")	1,115	754	1,200	1,401	1,040	1,449
Gold (kilos)	4,105	4,432	4,822	5,224	5,368	n.a.
Silver (")	8,754	9,458	7,085	6,916	14,888	n.a.

Source: The Europa Year Book

Despite the fact that mineral resources of Brazil have not been developed in proportion to potentialities, mineral production has increased considerably since the early 1950's.

Excluding fuels, the main imported raw minerals are asbestos, cassiterite, sulphur and natural sodium nitrate. Brazil also imports the following metals: copper, aluminum, nickel, lead, zinc, tin, iron and steel.

According to recent studies, the present known Brazilian iron ore reserves are estimated at 40 billion metric tons. Brazil is the world's third largest producer of manganese ore. Its known reserves are estimated at 152.5 million tons. The US is the most important buyer of Brazilian manganese.

Brazil has some limited reserves of coal of inferior quality and had to import about one million tons in the past few years.

Brazil currently produces about 34% of its domestic crude oil demand and refines about 97% of its oil product requirements.

The Brazilian Government has a monopoly on all petroleum activities, excluding the distribution of oil products and the petrochemical industry. This monopoly is carried out by a federally-controlled company - Petrobras.

5. Finance

a) The Monetary System: The unit of Brazilian currency is the cruzeiro. In August, 1968, Brazil put in force a special system of adjustment in the exchange rate. The exchange rate is based on consideration of relevant price trends and the level of foreign reserves. The exchange authorities are now following a system of 'mini-devaluations', i.e., small adjustment at frequent but irregular intervals to keep the exchange rate approximately in line with the rise of internal prices.

The exchange rate, cruzeiros per US dollar at the end of the period 1963-1970, was as follows (free rate):

<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970 (May)</u>
620.0	1,850	2,220	2,220	2,715	3,830	4,350	4,560

On July 10, 1970, the Central Bank announced another devaluation: The cruzeiro is now quoted at 4.59 buying and 4.62 selling per US dollar.

Currency in circulation increased in 1969 by 25% as against 44% in 1968.

Foreign exchange reserves amounted to \$728.0 million at the end of February 1970, compared with \$411 million at the end of August 1969.

The improved fiscal record of the Brazilian government in recent years has restored creditor confidence to a great degree. According to 1969 Inter-American Development Bank Tenth Annual Report, during 1969, total loans approved by the Bank to Brazil were \$326.5 million. There is also evidence of considerable success in increasing government revenues through improved tax collections and in stabilizing government expenditures, a traditionally principal source of inflation.

Note: From May 15, 1970, the new cruzeiro is known as cruzeiro.

b) Banking and Insurance: Banking in Brazil has undergone considerable changes over the past ten years. Prior to 1964, there was no central bank. This function was shared by the Bank of Brazil and various government agencies, especially the Superintendency of Currency and Credit. In 1964, a Banking Reform law was introduced which created Banco Central do Brazil and a National Monetary Council. Contrary to usual practice, the Central Bank does not set monetary policy, but acts as the agent of the National Monetary Council. Brazilian national monetary institutions include the National Monetary Council, the Central Bank and the Banco do Brazil.

The Central Bank of Brazil performs various important functions. It issues currency and coins under conditions and limits authorized by the National Monetary Council. It controls foreign capital, authorizes and supervises financial institutions in the country and is an instrument of Brazilian monetary policy. The Central Bank operates exclusively with public and private financial institutions.

The Bank of Brazil, S.A. is the financial agent of the National Treasury. It supplements the activities of the banking network in the financing of exports and imports, and is the Government's tool in the execution of foreign trade policy. The Bank of Brazil, acting on its own behalf, or on behalf of the Central Bank, carries out a large proportion of all exchange transactions.

The National Bank for Economic Development (BNDE), manages the resources for financial backing of undertakings held to be fundamental to the growth of the Brazilian economy.

The commercial banks, while they still channel about 75% of all financing extended to the private sector, are less strong and flexible than in Europe and North America.

There are in Brazil 297 private commercial banks with some 7,567 offices. All free market transactions in foreign exchange, other than those undertaken by the Bank of Brazil, are effected direct through authorized banks.

The main financial centres are Rio de Janeiro and Sao Paulo. Most of the banks and finance companies have their headquarters in one of these two cities. Rio is also headquarters for the most important government financial institutions.

In December 1968, the Royal Bank of Canada sold a 50% interest in its Brazilian subsidiary, Banco Real do Canada, to the Bank of America.

c) Investment: The success of economic development in Latin America depends on the creation of a favourable climate throughout the hemisphere for private investment and increased economic integration. The hope is for an increased tempo in the self-help measures of Latin America.

The concept of self-help, including social, and economic reform, is a cornerstone of the Alliance for Progress which was initiated by the US President Kennedy in 1961.

The Charter of Punta del Este which came out of the Alliance for Progress concept, treats regional economic integration, with national planning, reform measures, primary commodity arrangements and international financial assistance, as one of the five principal points of the Alliance for Progress.

The Brazilian Government is making a determined effort to promote investments. Incentives offered to national capital for investment in certain regions, are also extended to foreign capital.

Foreign investment in Brazil totaled in 1969, US\$4.7 billion, of which (from 1965 to 1968) the US invested \$1 billion, the majority of it in the automotive sector with \$158.3 million, followed by chemical products with \$150.2 million. The United States was the largest investor with \$390.9 million and \$244.2 million reinvestments. The second largest investor was Canada with \$123.6 million.

According to existing Brazilian development plans, the following total investments would be made between 1970 and 1973: education, 4.6 billion new cruzeiros; housing, 3.4 billions; electric energy, 2.9 billions; transport, 2.7 billions; basic industries, 1.6 billions; petroleum, 1.5 billions and communications, 0.6 billions.

Japan's investment in Brazil is very strong. Among countries of Japanese investment interest, Brazil ranks first. In Brazil today there are 75 Japanese companies in operation.

The Canadian-owned Brazilian Light and Power Company, under the terms of sale of its telephone utility to the Brazilian government, is committed to reinvest \$65 million within the country in financial, industrial and agricultural projects. To handle this activity it has created two investment subsidiaries: Organizacao e Empreendimentos Geraes, and the investment bank Brascon.

The degree of foreign participation in Brazilian industry is substantial, amounting to 22% of the capital of all existing industrial enterprises, or 32% of medium and large firms. The proportion ranges from 95% in the automotive industry and 82% in pharmaceuticals to 57% in auto parts, 55% in machinery and equipment, 45% in chemicals, 32% in foodstuffs, 32% in aluminum, 30% in paper and pulp, and 10% in cement production.

The inflow of new capital has quickened of late, reflecting the revival of foreign investor confidence in Brazil.

6. Public Utilities

a. Energy

According to the United Nations Statistical Yearbook the production of electric energy in Brazil, 1963-1967 was as follows:

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
		<u>Million KWH</u>		
Total gross generation of				
electricity	29,094	30,128	32,654	34,239
of which hydro	22,097	25,515	27,905	29,190

The development of Brazil's electric generating capacity during the past, has generally kept pace with demand, but building of the distribution system lagged behind expanding markets and this at times has meant severe problems for further industrial development. Brazil's hydro-electric potential is among the highest in the world. Recent estimates placed generating potential at 150 million kilowatts.

Installed electric generating capacity, at present some 11 million kilowatts, is expected to reach 18 million kilowatts by 1976, supported by several major hydro-electric schemes in which financial assistance provided by the World Bank will play a prominent role.

The Inter-American Development Bank announced on January 9, 1969 the approval of loans totalling US\$9.3 million, part of which will come from the resources which the Bank administers on behalf of the Canadian Government, to expand electric power generation, transmission, and distribution facilities in several Brazilian States.

Brazilian Light and Power Company of Toronto is one of the largest investors in the field of utilities. With an installed capacity of 2.1 million kw and a yearly production of about 11 billion kwh, Brazilian Light and Power Company is responsible for about 37% of all electric power generated in Brazil.

In 1956 Brazil set up the National Nuclear Energy Commission (CNEN) as a civil service department directly subordinated to the President of the Republic: according to studies by CNEN, plans have been drawn up for the establishment, in the northern coastal region of the State of Sao Paulo or in the southern area of the State of Rio de Janeiro, of a nuclear plant of 200 - 250,000 Kw.

Gas production in Brazil is low. The total production in 1967 was 459 million cubic metres.

b. Transport

Brazilian transportation is characterized by rail, highway and river traffic from the areas producing basic commodities to the nearest seaport, and by shipping along the coast. Recently Brazil began to develop a highway network to supplement coastal shipping.

Transport has always played a dominant role in the economic development of Brazil, because of its heavy reliance on export crops and the need to open new lands for productive use.

The size and rapid development of Brazil and its economic expansion have resulted in heavy demands on the transportation system. The inadequacy of transportation is often blamed for economic difficulties.

The coastal strip is still the most developed and populated area, but an integrated railroad system has never been built in the area and highway transportation is deficient, as evidenced by the fact that there is no continuous paved highway connecting the Northeast with the economic heartland of Rio de Janeiro - Sao Paulo. At the same time, the economic frontier is moving westward, creating a need for new penetrating roads.

Brazil has very extensive inland waterways with a natural navigable extent of 19,575 miles. The rivers widely used for transportation are the Amazon, the Sao Francisco and the Parana-Paraguay.

The Brazilian coast, densely populated, has extensive ocean communications, while the interior remains low in population density and lacks adequate transportation. Road and railways are traversing from the interior to the coastal cities, with few and deficient interconnections between them.

Brazil's seaports are important to its trade, foreign as well as domestic. There are about 40 seaports, the majority of them with inadequate equipment which is leading to serious congestion problems. Therefore, the Brazilian transport policy is directed specifically towards port modernization.

Brazil has one of the world's 20 largest merchant fleets. According to statistical data in 1968, it had 1,294 thousand gross registered tons. 98.6% of ocean going ships are government owned.

The number of vessels and freighters entered into Brazilian ports, 1965-1968, was as follows:

YEAR	NUMBER OF VESSELS	FREIGHT (^{'000} metric tons)
1965 . .	22,054	59,329
1966 . .	22,411	62,864
1967 . .	19,543	65,605
1968 . .	16,609	67,571

Source: Europa Yearbook

Roads have become the dominant means of transport in Brazil, accounting for 72% of freight and 92% of passenger traffic. The highway network comprises about 578,000 miles, of which 25,000 miles are national and 71,000 miles are state roads. The balance are mainly earth roads and tracks under the jurisdiction of municipalities. About 40% of the national roads and less than 20% of the state roads are paved.

According to Europa Yearbook, the number of motor vehicles in Brazil, 1963-1967 was as follows:

YEAR	CARS	LORRIES	BUSES	MOTOR CYCLES (all types)	TRACTORS
1963 . .	867,486	655,874	72,534	185,032	107,099
1964 . .	985,635	686,597	74,976	251,976	139,254
1965 . .	1,140,810	959,942	79,100	271,514	150,691
1966 . .	1,336,952	817,746	81,274	94,714	n.a.
1967 . .	1,417,895	569,470	53,254	91,772	n.a.

Brazil had (1964) 20,876 miles of railways in three gauges. In 1964, there were 24 railroad companies in Brazil of which 19 were owned and operated by the Federal Government; 1 company owned by the Federal Government but operated by a private company; the remaining four are operated independently under the Secretary of Transport of the State Sao Paulo.

Traffic on Brazilian railways 1964-1968, was as follows:

YEAR	NUMBER OF PASSENGERS (^{'000})	ANIMALS (^{'000} tons)	BAGGAGE AND PARCELS (^{'000} metric tons)	FREIGHT (^{'000} metric tons)
1964 . .	37,792	1,295	542	48,851
1965 . .	405,736	1,421	436	52,747
1966 . .	352,177	1,216	350	53,818
1967 . .	345,309	917	218	54,301
1968 . .	367,376	992	176	59,471

As a result of vast distances and the difficulties of land transport, it is not surprising that air transport has progressed so strongly in Brazil. The commercial airlines in Brazil are privately owned and operated. Two major international Brazilian airlines are Cruzeiro do Sul and Varig.

The number of passengers, freight and mail handled by Brazilian civil aviation, 1966-1968, was as follows:

CIVIL AVIATION

	1966*	1967*	1968*
Number of passengers ('000) . . .	2,211	2,446	2,605
Freight ('000 metric tons) . . .	28,598	29,609	29,633
Mail (metric tons) . . .	4,315	3,562	3,101

* Provisional.

Source: Europa Yearbook

Taking the country as a whole, transport and communications are very much undeveloped. Many natural factors have influenced this situation, such as steep escarpments which cut off the coast from the interior, the hilly character of much of the country, the heavy, torrential rains, and the thick, widespread forest. These natural disadvantages are aggravated by administrative, economic and technical difficulties.

To improve this situation the Brazilian Government inaugurated a 10-Year Plan for transportation 1967-1976, which forecasts public investment in transportation of about 12.1 billion cruzeiros.

c. Communications

At the end of 1967 there were 1,472,677 telephones in use in Brazil; in 1967 there were 1,105 broadcasting stations and 40 television stations. There were 2,379 telegraph offices, about half of which are under government control. There are three television stations in Brasilia. In 1967, there were 242 daily newspapers with a circulation of 2.9 million, or 34 units per 1,000 inhabitants*.

There is a general shortage of telephones throughout the country, however, interurban connections have improved in recent years.

According to U.N. Statistics, the Brazilian post in 1966 handled 2,333 million pieces of mail.

7. Tourism

In 1968, 136,065 people visited Brazil. Rio de Janeiro is the centre of the tourist trade. Brazilians and foreign tourists flock to the coast to enjoy the famous beaches. Tourist receipts 1967 were US\$15.0 million. Tourists in

*Canada has a circulation of 212 units per 1,000 population. English and French languages, dailies only. (Source: United Nations, Statistical Year Book).

Brazil by principal country of nationality were (1966):
from Argentina 27,089, Austria 11,262, Portugal 48,187,
Switzerland 24,433, United States 27,698.

The Empresa Brasileira de Turismo (Embratur) is studying
115 tourist development projects of which 53 have already
been given preliminary approval. Investments for the next
ten years are forecast at 744 million new cruzeiros.

FOREIGN TRADE

1. Structure of Brazilian Foreign Trade

Foreign trade is of vital importance to Brazil. The basic aim of Brazil's foreign trade policy is to increase domestic production and to conserve the limited foreign exchange resources of the country for purposes which are absolutely essential. In addition to having to raise the level of living of its population, Brazil must further develop ways and means to sell in foreign markets. To achieve this, industries must reduce production costs, improve technology and introduce or improve quality controls.

The role of foreign trade in Brazil is undergoing considerable change. In the past, foreign exchange receipts from exports of coffee and other primary commodities were used primarily to finance imports for the development of import-substitution industries, which were protected by high tariffs.

Brazil's foreign trade, 1959-1969, was as follows:

	<u>Exports</u> <u>\$1,000</u> <u>(FOB)</u>	<u>Imports</u> <u>\$1,000</u> <u>(CIF)</u>	<u>Trade</u> <u>Balance</u> <u>\$1,000</u>
1959	1,281,968	1,374,473	-92,505
1960	1,268,772	1,462,138	-193,366
1961	1,402,970	1,460,093	-57,123
1962	1,214,184	1,475,047	-260,863
1963	1,406,480	1,486,848	-80,368
1964	1,429,790	1,263,451	+166,339
1965	1,595,479	1,096,423	+499,056
1966	1,741,444	1,496,691	+244,753
1967	1,654,000	1,667,000	-13,000
1968	1,881,000	2,132,000	-251,000
1969	2,300,000	2,200,000	+100,000

Brazilian foreign trade has expanded greatly the past few years due to liberalized import policies, vigorous investment demand, more realistic exchange rate policies and export promotion efforts.

Recently, more emphasis has been placed on export expansion and diversification, with special attention being paid to manufactures, since receipts from the traditional commodity exports have generally been characterized by slow growth and excessive fluctuations, while on the other hand, world demand for manufactures has shown a more rapid rate of growth, with firmer prices.

Imports of manufactured goods account for about 60% of the total. The most significant import commodities groups embrace machines, vehicles and parts, chemicals as well as raw materials.

Agricultural products continue to make up over 60% of total exports. Coffee is the largest single commodity export. Brazil also supplies considerable quantities of iron ore and textile fibres to the world market.

Brazilian foreign trade, 1966-1967 by principal country, in percentage of total, was as follows:

PRINCIPAL COUNTRIES
(U.S. \$'000)

	IMPORTS			EXPORTS		
	1966	1967	1968	1966	1967	1968
Argentina	116,963	123,283	152,728	113,085	97,636	118,824
Belgium-Luxembourg	20,227	29,351	31,888	39,077	37,495	44,433
Canada	17,520	18,153	36,185	22,876	16,350	26,290
Chile	17,430	16,020	20,924	22,639	21,738	23,185
Denmark	11,940	13,960	17,846	38,492	38,150	35,023
Finland	7,039	13,919	14,766	19,630	16,809	14,304
France	41,056	44,009	71,807	60,068	58,519	67,827
German Federal Republic	134,671	168,301	235,910	133,560	134,751	147,716
Italy	36,677	51,895	73,006	109,027	109,011	116,923
Japan	44,452	50,471	73,113	41,042	56,030	58,614
Netherlands	24,973	25,885	33,801	88,835	112,256	102,620
Norway	16,811	18,992	20,557	23,934	22,038	20,884
Peru	7,286	6,799	6,721	9,861	3,656	6,654
Poland	11,280	14,350	14,358	8,897	15,353	14,946
Saudi Arabia	28,751	71,157	66,220	1	—	—
Spain	12,311	20,759	29,470	23,645	23,638	45,007
Sweden	30,945	38,109	52,001	54,800	49,803	50,823
Switzerland	25,901	28,944	39,174	7,261	7,281	7,965
United Kingdom	44,399	56,697	96,240	74,039	61,390	72,809
U.S.A.	589,952	572,258	684,504	581,394	547,589	626,096
U.S.S.R.	36,573	16,498	16,975	31,641	28,724	24,830
Venezuela	70,506	54,559	66,708	4,623	3,108	3,987
Other Countries	148,552	213,060	276,957	233,015	192,712	250,675
TOTAL	1,496,215	1,667,429	2,131,859	1,741,442	1,654,037	1,881,344

Brazil is a member of the Latin American Free Trade Association. Under the LAFTA Agreement, signed in 1961, internal tariffs and related restrictions were to be eliminated on "substantially" all products by 1973. Two provisions were created for the progressive liberalization of trade among members of LAFTA. One provision provides for the negotiation of bilateral concessions aimed at reducing national tariffs by 8% a year, concessions to be extended eventually to all LAFTA members. Under the second provision, every three years, members agree to grant tariff concessions on a list of products representing one-fourth of intra-LAFTA trade during the previous three year period.

LAFTA until now did not have any significant success. Existing national industries and associated vested interests have resisted the reduction of internal trade barriers. In 1966, Brazil exports from LAFTA were 10.4% of the total, while imports accounted for 11.1% of total.

Brazil's trade by area 1967 was as follows:

	<u>Imports</u>	<u>Exports</u>
North America	35%	34%
South America	14%	10%
Western Europe	32%	43%
Eastern Europe	5%	6%
Middle East	7%	1%
Australia, New Zealand and South Africa	1%	1%
Other Africa	1%	1%
Japan	3%	3%
Other	2%	1%

Source: U.N. Commodity Trade Statistics.

2. Analysis of Brazilian Imports

Brazilian imports in general consist of commodities which are not produced within the country or are produced in quantity insufficient to supply the market. The import of consumer goods is restricted by tariff and exchange controls. Imports, aside from wheat and fuels are limited generally to capital equipment, industrial raw materials and highly specialized commodities. However, the Brazilian import policy has as one of its principal aims, the lowering of the cost of Brazilian products and increasing the productivity of domestic manufacturers.

The current pattern of Brazilian imports reflects an increased need for raw materials, fuels and intermediate products.

Brazilian imports of selected commodities, 1966-1968, were as follows:

IMPORTS	1966		1967		1968	
	Quantity ('000 tons)	Value (U.S.\$'000)	Quantity ('000 tons)	Value (U.S.\$'000)	Quantity ('000 tons)	Value (U.S.\$'000)
Live Animals	2	1,706	4	2,923	3	2,845
Raw and Processed Materials	14,734	307,940	13,889	323,831	16,985	419,969
Foodstuffs and Beverages	2,781	276,131	2,946	326,468	3,125	334,387
Chemicals and Pharmaceutical Products	1,065	226,109	1,321	230,342	2,032	329,894
Machinery, Vehicles, and Parts	147	381,323	153	475,002	195	659,413
Manufactured Goods, class by materials	654	248,558	716	233,232	1,293	299,024
Miscellaneous Manufactured Articles	8	51,126	9	61,340	12	84,968
Gold, Coins, Special Transactions	2	3,322	4	14,291	1	7,359
TOTAL	19,392	1,496,423	19,042	1,667,429	23,648	2,131,859

Source: Europa Yearbook

Other important Brazilian import items include fruit and vegetables, fish and preparations, crude fertilizers and minerals, coal, coke and briquettes, manufactured fertilizers, paper and paperboard, metal manufactures, and instruments, watches and clocks.

While Brazilian exports in 1968 increased by US\$227 million, imports increased by US\$464 million. Offsetting an exports increase of 14% is the increase in imports of 27%. The increase in imports in 1968 was partly the result of increased demand for capital goods.

With a view to slowing down imports, the Brazilian Government increased significantly its duties on a wide range of products such as certain food products, automobile parts, plastic wares, transistor radios, synthetic textile fabrics, footwear, household appliances, articles of ceramic and glass, and others.

Brazilian imports in 1969 reached \$2.2 billion slightly over the imports figure in 1968.

3. Analysis of Brazilian Exports

The Brazilian economy, similar to most Latin American countries, is based on the export of primary commodities. Exports of coffee in 1968 comprised over 40.0% of total Brazilian exports. This makes Brazil's economy very dependent on the crop situation at home and on prices in world markets.

Expansion of Brazilian exports in 1969 (19.5%) was significant in the exports of manufactures, raw cotton, cocoa beans and iron ore.

The main Brazilian export products, 1966-1968, were as follows:

EXPORTS	1966		1967		1968	
	Quantity ('000 tons)	Value (U.S.\$'000)	Quantity ('000 tons)	Value (U.S.\$'000)	Quantity ('000 tons)	Value (U.S.\$'000)
Live Animals	1	681	2	1,506	3	1,199
Raw and Processed Materials	15,700	516,905	15,723	468,231	18,061	525,894
Carnauba Wax	13	9,732	11	7,509	13	9,161
Castor Oil	95	22,332	75	23,190	116	36,373
Cotton (raw)	256	121,159	189,442	90,844	248	130,817
Haematite	12,910	100,200	14,849	125,014	15,019	104,450
Hides and Skins	23	16,488	30	25,557	22	10,264
Manganese Ore	957	26,794	542	13,959	1,124	24,164
Pine Wood	722	57,044	624	51,091	732	71,898
Sisal	140	22,059	119	15,489	135	16,048
Tobacco Leaf	46	21,893	45	20,260	39	18,869
Foodstuffs and Beverages	4,129	1,122,655	3,620	1,032,137	4,926	1,212,648
Bananas	205	6,280	171	5,546	160	5,615
Brazil Nuts	22	7,176	20	10,129	36	14,969
Cocoa Beans	112	50,731	114	59,161	76	46,098
Cocoa Butter	21	20,779	21	25,062	18	25,888
Coffee	1,010	763,983	1,004	704,725	1,107	774,474
Maté	45	6,876	24	4,984	25	4,890
Oranges	79	3,759	90	3,455	73	3,104
Rice	289	33,320	32	4,818	158	21,214
Sugar	1,005	80,535	1,173	84,235	1,026	101,576
Chemicals and Pharmaceutical Products	74	25,074	74	28,935	49	26,370
Ethyl Alcohol	53	4,500	54	5,400	14	1,447
Machinery, Vehicles and Parts	13	33,308	38	43,629	12	41,098
Manufactured Goods, class by materials	179	34,591	666	65,650	436	57,704
Miscellaneous Manufactured Articles	1	3,863	22	4,488	2	4,810
Gold, Coins, Special Transactions	5	4,365	5	9,910	6	11,611
TOTAL	20,103	1,741,442	21,129	1,654,037	25,487	1,881,344

Other significant export items include furs, oil seeds, kernels, fixed vegetable oils and fats, chemicals, textile yarn and fabric, iron and steel, and non-electric machinery.

The rapid expansion of non-traditional exports in the past few years reflects a number of government measures designed to promote these exports. In an effort to promote exports of manufactured goods, the Brazilian government has recently overhauled export credit facilities and introduced export credit insurance for the first time.

CANADIAN TRADE WITH BRAZIL

1. General

Canadian trade with Brazil, 1965-May 1970, was as follows:

<u>Year</u>	<u>Imports</u> (\$ million)	<u>Exports</u>	<u>Balance</u>
1965	35.6	17.5	-18.1
1966	35.8	21.2	-14.6
1967	31.4	27.5	- 3.9
1968	38.7	48.2	+ 9.5
1969	42.1	50.2	+ 8.1
1970 Jan to May	17.6	18.7	+ 1.1
1969 Jan to May	14.5	29.3	+14.8

Source: D.B.S. Trade of Canada

Canada's exports to Brazil consist very largely of industrial raw materials, producer goods, and capital equipment.

Principal Canadian Exports to Brazil

<u>Brazil</u> <u>Commodity</u>	<u>1967</u>	<u>\$'000</u> <u>1968</u>	<u>1969</u>
600 Aircraft	1,167	11,803	11,891
451 Aluminum, including alloys	4,829	8,486	10,131
351 Paper for printing	1,354	2,450	4,321
271 Asbestos unmanufactured	3,673	4,305	3,596
452 Copper and Alloys	1,546	1,041	2,905
457 Zinc, including alloys	398	1,607	2,237
589 Other vehicle, engine, pts and acces.	1,982	1,087	2,024
771 Office machines and equipment	2,012	2,537	1,418
454 Nickel and alloys	2,767	777	1,082
680 Electric lighting and control equip.	115	243	878

Source: D.B.S. Trade of Canada

In 1968, Canadian exports to Brazil were worth \$48.2 million Canadian dollars, an increase of 75% over the previous year. The 1969 figure indicates another increase, up to \$50.2 million for the year.

In 1968, Canadian imports from Brazil were worth \$38.7 million. This is an increase from the \$31.4 million of 1967 and the \$35.8 million of 1966. In 1969 Canadian imports increased by \$3.4 million or 9%.

The most significant product that Canada imports from Brazil is coffee (\$23.0 million in 1969). Other imports of significance are listed in the following table:

Principal Canadian Imports from Brazil
(millions dollars)

	<u>1967</u>	<u>1968</u>	<u>1969</u>
Orange juice concentrates frozen	1.1	2.7	3.3
Brazil nuts, shelled or roasted	.4	.6	.5
Coffee, green	20.5	23.6	23.1
Instant coffee	.8	1.3	1.5
Raw cotton	.3	.6	1.5
Iron ore	1.1	3.5	1.5
Manganese in ores and concentrates	.6	.6	2.9
Castor oil	.6	1.1	.7
Total	25.4	34.0	35.0
Above items as % of total Canadian imports from Brazil	80.4%	87.7%	83.1%

Source: D.B.S.

In 1969 Brazil supplied Canada with 3% of total Canadian imports and was a market for 3.4% of Canadian exports.

2. Market Analysis for Selected Canadian Products

There is no simple key to success in exporting to Brazil. It is a complex, unpredictable and highly competitive market which, as most other foreign markets today, should be tackled with persistence, efficiency and realism.

There are, in general, exports possibilities for mining and construction machinery, equipment and materials, aircraft and parts, metalworking machinery, electric power machinery, switchgear and parts, textile machinery, chemical and petrochemical equipment, scientific, medical, optical-measuring and controlling instruments and apparatus, as well as for sophisticated electronic equipment. These possibilities are, for the most part, relative to the execution of Brazilian long-term investment programs and offer some opportunities for our exporters; machinery and equipment are needed for a range of new industries.

Brazil represents an enormous and rapidly expanding market. There is a fund of goodwill towards Canada. Brazil is not an easy market. The attractiveness of Brazil's growing market and improved financial position is generating increasingly competitive trade offers from other countries.

Brazil cannot be treated as a single market and firms wishing to cover the whole of Brazil should consider the appointment of Brazilian commercial representation separately in the following areas: Rio de Janeiro, Sao Paulo, North and North East (Belem-Recife-Salvador) and South (Porto Alegre).

3. Ontario Exports

Ontario exports to Brazil decreased from \$21.4 million in 1968 to \$20.4 million in 1969, a decrease of \$1 million. Total Canadian exports to Brazil in 1969 amounted to \$50.2 million, thus Ontario contributed 40.6% of the total. Increases were effected in several export commodities, the most significant being: aluminum including alloys which rose from \$8.5 millions in 1968 to \$10.1 millions in 1969; paper for printing from \$2.4 millions in 1968 to \$4.3 millions in 1969; and copper and alloys from \$1.0 million in 1968 to \$2.9 millions in 1969.

ECONOMIC AND TRADE POLICY

1. Planning

The first major economic plan in Brazil was the Three Year Plan, 1963-1966. This plan was abandoned almost as soon as it started. The Program of Economic Action 1964/1966, has achieved its goals; the inflationary spiral has been slowed down, public investment raised; private investment has also increased. The Three-Year Plan 1968-1970 had as its basic goals the speeding up of economic development and the arresting of inflation. The Plan's aim is to reach a production and services expansion between 5 and 6% yearly as well as an increase in the national product of at least 6%.

Brazilian Government recently announced that a new social and economic development plan for 1972-1974 would be published in 1971, and that a three-year investment budget for 1971-1973 would shortly be submitted to Congress.

2. Foreign Trade Regulations, Tariffs and Taxes

Duties in Brazil are generally at ad valorem rates. The rates of duty range from 0% to 205% with the majority of goods bearing a duty of from 15% to 55%. A limited number of imports are dutiable at specific rates, which are expressed in New Cruzeiros per unit of weight or volume. In 1969, tariff rates on a lengthy list of non-essential goods were raised by 100 percentage points until the end 1971.

Imported goods which are considered to be available from Brazilian national production in satisfactory quality, quantity and cost, are subject to higher import duties (usually 30% higher) and are not eligible for duty exemptions. Imports of "similars" by agencies of the Brazilian Government are generally prohibited and when imported by non-governmental bodies "similars" are not eligible for Brazilian Government financing or foreign financing that is handled by governmental agencies.

The main criteria used to determine whether a foreign commodity has a "national similar" are that the price of the domestic product must not exceed the price of the import, including import duties, and that the delivery time and quality of the domestic product must be satisfactory to meet local demand.

In an attempt to protect its industries from "dumping", while avoiding the negative import of excessive protectionism on economic growth, Brazil has recently set-up a new regulatory mechanism aimed at making its defense more flexible.

The new system replaces the old one in which CACEX, Banco do Brazil's foreign trade office, set an arbitrary "minimum value" on imports valid for 180 days, unless the Conselho de Politica

Aduaneira (CPA) intervened within 15 days. The CPA now has direct control over the system, and in the case of suspected dumping will first fix a new "reference price".

Brazil extends preferential import duties rates and other advantages on a wide range of imports from other member countries of the Latin American Free Trade Association (LAFTA).*

Tariff protection is granted to industries capable of adequately servicing the local market. The Conselho de Politica Aduaneira (CPA) may raise tariffs, taxes and duties to assist manufacturers and to prevent dumping. The CPA may also lower or cancel import duties on raw materials and essential goods when they are in short supply, and may set artificial values (aforos) on certain goods in order to increase the effective burden of import duties. On the other hand, the CPA may grant duty reductions or exemptions on imports of capital goods for approved investments in certain industries. It also grants exemptions on equipment to be used in public works projects.

3. Marketing

Brazil is a free-enterprise nation: the number of government-controlled enterprises is limited. Rio de Janeiro and Sao Paulo dominate Brazil's marketing. The large concentration of inhabitants together with the difficulties in communications and transportation make these two cities the principal markets in Brazil. However, various other large cities serve as centres for redistribution of merchandise, such as Belem, which is an important distributing centre for the whole Amazon River Valley; Salvador, which is a distributing centre for Bahia and neighbouring states, as well as Recife and Porto Alegre, in the Northeast and the South, respectively.

In the large cities supermarkets and department stores are very popular. Consumer cooperatives, as well as producer cooperatives, are very active in Brazil.

Brazil is a very competitive market. Credit and finance are vitally important to a successful contract and rank equally with technical performance of the equipment or quality of goods.

4. Promoting the Products - Agency Agreements

The selection and appointment of agents or distributors in Brazil is a matter of great importance. The basic regulations defining the responsibilities of agents and their principals are laid down partly in the civil code and partly in the commercial code.

*Note: Members of LAFTA: Argentina, Bolivia, Chile, Colombia, Ecuador, Mexico, Paraguay.

An individual agent for commission or salary may be entitled to the benefits of the law of May 1, 1943, as amended. An agent may be considered as an independent worker under that law. The parties may freely stipulate the terms and conditions of their agreements. However, waiver of rights acquired under the law is not recognized.

Under the Code a definite or an indefinite term agency may be terminated at any time. The agent is to be compensated for services rendered in case of premature termination of a definite term contract, or undue termination of an indefinite term agreement. Under the 1943 law definite term agreements terminate on the expiration of the agreement. If extended, or if the parties continue to operate under it, the agreement becomes an indefinite term agreement and may only be terminated for just cause.

Unjust termination of an agreement makes the principal liable for compensation. Compensation may include severance pay or earnings, in proportion to the duration of the relationship, and the amount resulting from computing two month's salary for each year of employment.

Source: International Commerce: September 1968.

5. Licensing, Joint Ventures, Patents and Trade Marks

Direct exports to Brazil can be successfully supplemented by joint ventures. The trend to decrease direct imports in relation to the development of Brazilian industry, will increase. Brazil is now capable of producing the greater part of consumer goods needed in its domestic market. Through joint ventures, the domestic market can be shared when direct import is difficult or economically unsound. Licensing provides a foothold in the Brazilian market without large capital outlays. Industries which are not able to enter into joint ventures, can successfully sell licenses and patents on profitable terms.

The life of the patent of an invention is 15 years after which it becomes public property. This period may be extended for a maximum of five years if found to be justified in the national interests. Patents for inventions, design and models, expire if not exploited within three years of registration.

Legal and administrative limitations on licensing are a serious problem in Brazil. Patent and trademark licenses must be registered with the National Department of Industrial Property (DNPI). To establish remittance rights for patents and trademarks royalties as well as technical assistance fees, the licensing agreement must be registered with the Central Bank.

Industrial models or designs may be protected for three year periods, renewable up to a limit of 15 years.

Trade marks registered must not include words of a foreign language unless these are generally used in Brazil, and they must always carry the words "industria basileira" clearly indicated.

ONTARIO DOMESTIC EXPORTS TO BRAZIL BY COMMODITIES

1968 - 1969

VALUE \$'000

GROUP	COMMODITIES	1968	1969
001	Cattle	83.6	108.7
006	Poultry	35.4	54.6
009	Other live animals		.1
051	Dairy produce	101.7	111.5
062	Cereals, milled	141.5	67.1
173	Distilled alcoholic beverages	5.1	2.4
209	Other crude animal products	2.0	
255	Nickel in ores, concentrates, scrap	26.6	15.7
320	Rubber fabricated materials	7.9	24.2
351	Paper for printing	10.3	107.4
355	Special industrial & coated paper	13.8	4.5
359	Converted paper		.2
381	Special construction fabrics	80.8	100.3
398	Oth. oils, fats, waxes, extracts deriv.	6.4	2.0
402	Inorganic bases & metallic oxides	44.7	
404	Metallic salts of inorganic acids	14.1	35.2
405	Other inorganic chemicals	56.3	73.1
408	Phenols, ethers, aldehydes & deriv.	38.3	22.5
414	Other organic chemicals	187.7	99.2
424	Plastics & syn. rubber, not shaped	496.6	550.7
425	Plastics, basic shapes & forms	1.8	
428	Paints & related products		1.8
429	Industrial chem. specialties & explosive	4.1	3.4
439	Other petroleum & coal products		1.0
443	Castings & forgings	1.4	1.4
444	Bars & rods, steel	23.6	111.2
445	Plate, sheet & strip, steel	1,579.0	712.0
448	Pipes & tubes, iron & steel	1.3	3.0
449	Wire & wire rope, iron & steel		1.5
451	Aluminum, including alloys	81.1	828.7
452	Copper & Alloys	96.0	85.7
454	Nickel & alloys	328.7	141.2
455	Precious metals, including alloys	16.8	12.7
459	Other non-ferrous metals & alloys		.8
463	Wire fencing, screening & netting		.6
465	Bolts, nuts, etc., & basic hardware	.2	
469	Other metal fabricated basic products	.2	
476	Abrasive basic products	4.3	
495	Non-current-carrying wiring material		4.0
496	Other fabricated materials	7.2	6.0
503	Electric generators & motors	878.4	
504	Mech. power transm. equipment & bearings		13.4
509	Other general purpose indus. machinery	58.5	43.8
510	Conveying, elevating, etc., equipment	15.7	25.0
521	Drilling, minin, oil & gas machinery	120.9	269.2
523	Metalworking machinery	568.3	18.0
524	Woodworking machinery	33.0	74.6
529	Other special industry machinery	402.0	166.0
541	Soil prep, seeding & fert. machinery		3.0

ONTARIO DOMESTIC EXPORTS TO BRAZIL BY COMMODITIES

1968 - 1969 Cont'd.

GROUP	COMMODITIES	VALUE \$'000	
		1968	1969
542	Cultivating & crop protection machinery	36.6	51.0
543	Haying, harvesting & related machinery	45.7	435.8
549	Other agricultural machinery, equipment		4.4
551	Tractors	.6	
570	Railway & street RR Rolling stock	.2	
580	Road motor vehicles	1,482.4	
581	Passenger automobile & chassis		82.7
589	Other vehicle, engine, parts & accessories		2,023.7
590	Ships & boats	36.9	160.7
600	Aircraft	10,778.5	10,633.9
621	Pneumatic tires, new		28.5
625	Tire tubes & other tires	.2	
634	TV & radio sets & phonos, domestic	.9	
639	Communication & related equipment components	12.9	48.5
655	Air conditioning & refrig. equipment		.2
680	Electric lighting & control equipment	66.5	818.1
698	Laundry equipment, domestic		.4
700	Measuring, laboratory, etc. equip.	346.0	509.9
750	Hand tools & miscellaneous cutlery	19.4	38.3
771	Office machines & equipment	2,532.2	1,418.2
779	Miscellaneous equipment		.8
788	Miscellaneous apparel	.9	
790	Footwear		.3
820	Watches & clocks		.4
830	Toys, games, sport & recreation equipment	3.7	
870	Medicinal & pharmaceutical products	58.5	8.2
880	Medical supplies, ophthalmic goods etc.	48.2	43.8
890	Printed matter	1.7	6.5
900	Stationers & office supplies & material	14.4	33.1
941	Prefabricated bldg. & structures		1.4
960	Other end products, classified by material	.8	
970	Special transactions - trade	2.2	1.8
T O T A L		21,405.2	20,356.8

Source: Ontario Exports by Countries
and Commodities 1968-1969

CANADIAN IMPORTS FROM BRAZIL BY COMMODITIES
1968-1969

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
		QUANTITY	VALUE	QUANTITY	VALUE	
			\$		\$	
999	LIVE ANIMALS N E S		2,619		1,805	999
1595	EXTRACTS OF MEAT, NOT CANNED LB	3,181	5,226			1595
1703	CORNEED BEEF, CANNED LB N	804,259	331,252	72,000	27,076	1703
3069	SEA FISH, FRESH OR FROZEN N E S CWT	35	749	10	315	3069
4629	LOBSTER, FRESH OR FROZEN CWT			51	14,018	4629
4649	SHRIMPS AND PRAWNS, FRESH OR FROZEN CWT	109	14,998	629	86,957	4649
6930	SAGO AND CASSAVA STARCH OR FLOUR LB	4,408,000	148,889	6,324,450	163,972	6930
6940	SAGO AND TAPIOCA LB	992,050	76,964	669,100	66,637	6940
7115	GRAPEFRUIT, FRESH LB	340,000	12,190			7115
7139	ORANGES MANDARINES TANGERINES FRESH LB	4,939,878	144,208	1,707,225	60,932	7139
7142	PEACHES, FRESH LB			1,000	258	7142
7399	FRUITS AND BERRIES, DRIED N E S LB			2,448	2,943	7399
7523	LEMON JUICE CONCENTRATES, FROZEN GAL	4,586	10,890	10,522	28,668	7523
7538	ORANGE JUICE CONCENTRATES, FROZEN GAL	977,364	2,741,937	970,822	3,308,477	7538
7539	ORANGE JUICE CONCENTRATES, NOT FROZ GAL	29,594	77,632	25,973	82,485	7539
7558	FRUIT JUICE CONCENTRATES, FROZ. NES GAL	270	763			7558
7899	FRUITS AND PRODUCTS, CANNED N E S LB			10,500	3,709	7899
8120	BRAZIL NUTS, NOT SHELLD LB	2,203,672	347,477	1,335,790	232,996	8120
8220	BRAZIL NUTS, SHELLD OR ROASTED LB	1,371,873	581,419	1,163,798	535,313	8220
8225	CASHEW NUTS, SHELLD OR ROASTED LB	8,750	4,867	104,650	62,308	8225
9190	TOMATOES, FRESH LB			5,280	535	9190
9899	VEGETABLES & VEG JUICES, CANNED NES LB	65,564	17,978	83,104	18,664	9899
11110	COCOA BEANS LB	307,594	87,206	808,356	320,983	11110
11140	COCOA BUTTER LB	496,035	340,255	331,715	303,089	11140
11162	COCOA UNSWEETENED IN BLOCKS, CAKES LB	1,817,931	130,628	1,584,581	218,588	11162
11210	COFFEE, GREEN LB	61,842,082	23,625,899	58,556,571	23,063,452	11210
11230	INSTANT COFFEE LB N	1,501,177	1,272,884	1,736,271	1,548,047	11230
11310	TEA, BLACK LB	221,201	76,525	53,101	19,137	11310
11320	TEA, GREEN LB			750	227	11320
11455	PEPPER, GROUND OR UNGROUND LB	4,409	1,075	16,307	4,862	11455
14640	FLAVOURING EXTRACTS AND ESSENCES LB			7,147	5,410	14640
14699	FOOD PREPARATIONS N E S LB			7,445	867	14699
17360	LIQUEURS P GAL			25	249	17360
18299	TOBACCO, UNMANUFACTURED STEMMED NES LB	40,212	7,740	152,801	32,569	18299
18330	CIGARS AND SIMILAR PRODUCTS LB	1,742	4,502	3,261	6,811	18330
20110	CATTLE HIDES, RAW NO			25	537	20110
20220	FUR SKINS, FOX NO			148	715	20220
20289	FUR SKINS, UNRESSED N E S NO	8,072	271,068	9,482	455,261	20289
21249	PEANUTS, GREEN CWT			24,937	346,424	21249
21399	CUT FLOWERS & DECOR. PLANT MAT. NES		8,970		19,552	21399
21649	RUBBER ALLIED GUMS N E S LB	5,028	1,746			21649
24209	WOOL IN THE GREASE LB	35,913	17,101	77,495	46,920	24209
24410	RAW COTTON LB	2,128,433	579,534	6,169,638	1,466,829	24410
24430	COTTON LINTERS AND CARDED SLIVER LB	571,473	54,825	1,767,347	146,865	24430
24499	COTTON WASTE N E S LB	1,510,435	110,943	2,019,361	124,308	24499
24550	SISAL AND AGAVE FIBRES, INCL. WASTE LB	6,630,162	417,079	9,128,096	602,385	24550
25120	IRON ORE TON	417,872	3,535,941	195,569	1,533,217	25120
25840	MANGANESE IN ORES AND CONCENTRATES CWT	224,779	561,015	1,218,964	2,856,620	25840
25899	METAL ORES CONCENTRATES & SCRAP NES CWT	2,612	154,844	9,491	555,340	25899
27420	DIAMOND DUST CARAT			375	1,680	27420
27610	GRANITE, ROUGH TON			107	4,556	27610
27659	SILEX AND CRYSTALLIZED QUARTZ TON	4	103,416	2	30,384	27659
29119	TEXTILE RAGS N E S CWT			222	1,495	29119
29199	WASTE MATERIALS N E S CWT			27	4,730	29199
30199	UPPER LEATHER N E S SQ FT	36,110	6,775	13,788	3,829	30199
30460	GLOVE & GARMENT LEATHER, SHEEP LAMB SQ FT			11,221	6,835	30460
30610	BAG, CASE AND STRAP LEATHER SQ FT	342	891			30610
30699	LEATHER N E S SQ FT	69,000	13,318	101,091	21,351	30699
31089	FURS, DRESSED N E S					31089
33165	LUMBER, MAHOGANY M B F	10	3,493	21	7,422	33165
33179	LUMBER, EXOTIC SPECIES N E S M B F	327	60,294	630	184,245	33179
33490	DIMENSION-SAWN STOCK		49,373		14,090	33490
33519	VENEER, HARDWOOD N E S SQ FT	385,630	73,279	168,294	37,160	33519
33579	PLYWOOD, SOFTWOOD SF1/4	391,650	28,041	16,534	1,316	33579
33911	HAND TOOL HANDLES		4,232			33911
33919	HANDLES GRIPS BACKS & LIKE PROD NES		22,653			33919
33999	WOOD FABRICATED MATERIALS N E S		30,815			33999
35760	HARD BOARD CWT	44,917	209,310	27,909	128,974	35760
36445	COTTON YARN SINGLE 20 AND UNDER NES LB			52,727	22,142	36445
36446	COTTON YARN SINGLE OV 20 UND 40 NES LB			45,887	21,337	36446
36447	COTTON YARN SINGLE 40 AND FINER NES LB			15,436	9,534	36447
36468	COTTON YARN, PLIED N E S LB			146,269	72,112	36468
36903	BALER TWINE LB	1,365,000	113,339	3,900,000	380,926	36903
37302	DUCK AND ALLIED FABRICS, COTTON LB	2,913	1,655			37302
37313	DRILL TWILL WARP SATEEN COT UNRL LB			11,000	6,107	37313
37315	DRILL TWILL WARP SATEEN COT RL FACHD LB			433	859	37315
37318	DRILL TWILL WARP SATEEN COT COLORED LB	25,621	41,957	103,584	126,839	37318

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
		QUANTITY	VALUE \$	QUANTITY	VALUE \$	
	<u>BRAZIL CON</u>					
37338	PROBACLOTH & LT WT POPLIN COT COLOR LB	29,308	43,426	6,053	7,657	37338
37343	PAINT CLOTH & SHEETING COTTON UNBL. LB			17,508	9,532	37343
37348	PAINT CLOTH & SHEETING COT COLORED LB	629	1,569			37348
37394	BROAD WOVEN FABRICS COTTON BL N E S LB	3,747	5,909	3,545	6,037	37395
37398	BROAD WOVEN FABRICS COT COLORED NES LB	48,491	73,873	68,886	96,744	37398
37449	BROAD WOVEN FAB. OF 1 VEG FIBRE NES LB	869	588			37449
39308	CANOLA OIL CWT	49,273	1,063,688	47,599	730,629	39308
39348	PALM KERNEL OIL CWT			7,619	93,391	39348
39399	VEGETABLE OILS AND FATS N E S CWT	202	2,788	6,148	76,788	39399
39415	CARNAUBA WAX LB	505,465	173,395	478,647	164,161	39415
39449	WAXES, ANIMAL AND VEGETABLE N E S LB	6,614	3,071	2,895	1,799	39449
39640	WATTLE EXTRACT LB	146,144	12,907	328,757	28,542	39640
39716	LEMON AND ORANGE OIL LB	15,589	12,034	32,255	11,634	39716
39720	PEPPERMINT OIL LB	3,640	4,555	1,190	1,364	39720
39739	ESSENTIAL OILS N E S LB	9,923	9,005	6,290	9,154	39739
40765	MENTHOL, NATURAL AND SYNTHETIC CWT	508	219,526	545	212,176	40765
40767	OXALIC ACID CWT	660	8,229			40767
40998	OXYGEN FUNCTION ACIDS AND DERIV NES CWT			2	1,744	40998
42119	GLUF, ANIMAL LB			244,100	53,012	42119
42946	GELATIN, INFEDIBLE LB	80,000	16,770			42946
44199	FERRO-ALLOYS N E S TON	17	44,041	11	34,048	44199
46553	HINGES, BUTTS AND PARTS N E S		1,107			46553
47104	GRANITE, SHAPED OR DRESSED		6,034		78,454	47104
47235	CERAMIC TILES FLOOR WALL 2 1/2 & OV SQ FT			275,000	14,986	47235
47372	TUBES FOR ELECTRONIC TUBES		3,309			47372
47825	GEM AND ORNAMENTAL STONES N E S		8,313		18,549	47825
47933	MICA BLOCKS SHEETS AND GROUND MICA CWT	26	7,569	21	4,681	47933
49409	ACOUSTIC & CEILING TILES PANELS NES SQ YD	56,889	27,518	26,777	10,625	49409
49601	HOODS AND SHAPES, NON-TEXTILE DOZ	7,823	12,792	21,300	18,065	49601
51035	CRANES AND CERRICKS NO			1	2,688	51035
52308	LATHES, METALWORKING, AND PARTS NES NO	4	9,653	4	1,348	52308
52539	ROLLS FOR USE IN THE MFR OF PAPER NO			19	139,692	52539
52559	PAPER MILL MACHINERY AND PARTS NES				153,516	52559
52736	KNITTING MACHINE NEEDLES M	50	2,139	10	623	52736
58849	PARTS OF MOTOR VEHICLE ENGINES NES				2,017	58849
58999	PARTS & ACCESS. FOR MOTOR VEH. NES				2,881	58999
59339	PTS & ACCESS. FOR SHIPS & BOATS NES		280		1,782	59339
60349	PARTS OF AIRCRAFT ENGINES				7,550	60349
63419	TELEPHONE APPARATUS EQUIP AND PARTS		100,090			63419
63816	ELECTRONIC RECEIVING TUBES NO			13,150	13,264	63816
63819	ELECTRONIC TUBES N E S NO	23,900	12,395			63819
63910	CAPACITORS, ELECTRONIC AND PARTS				6,247	63910
70217	ELEC. PROPERTY MEASURING INSTR & PT				215	70217
70290	ELEC. MEASURING & TESTING INSTR NES				432	70290
70613	MEDICAL & SURGICAL INSTR EQUIP & PT		250		2,030	70613
70710	OPTICAL MICROSCOPES & PTS EXC LENS NO			12	12,037	70710
70994	GEOPHYSICAL MINERL PROSP EQUIP & PT				7,019	70994
70999	SCIENTIFIC INSTRUMENTS AND PTS NES		1,215			70999
74012	FURNITURE, WOODEN, HHOLD, NOT UPHOL		8,601		5,889	74012
74016	FURNITURE, HOUSEHOLD, UPHOLSTERED		5,791		22,784	74016
74019	FURNITURE FRAMES & HHOLD FURN. NES		2,324			74019
75865	SCISSORS, SHEARS AND TRIMMERS NO	94,609	82,887	118,533	110,206	75865
77120	CARD PUNCHING, SORT & TAB MACH & PT				606	77120
78314	POUSES, EXCEPT KNITTED N E S NO	649	1,358			78314
78325	DRESSES, EXCEPT KNITTED N E S NO			60	1,140	78325
78404	BATHING SUITS, KNITTED NO	1,031	4,338	52	254	78404
78674	GLOVES AND MITTENS, MAN-MADE FIBRE DOZ PR	409	4,762			78674
78952	WOMENS HANDRAGS AND PURSES DOZ			11	1,566	78952
79012	BOOTS & SHOES MENS & BOYS LAST-MADE PAIR	4,704	13,284	2,175	8,692	79012
79014	BOOTS SHOES WOMEN & GIRLS LAST-MADE PAIR	861	4,047	7,308	14,765	79014
79039	SLIPPERS AND HOUSE FOOTWEAR PAIR			348	711	79039
79040	WATERPROOF RUBBER FOOTWEAR PAIR			2,490	2,974	79040
79099	FOOTWEAR N E S PAIR	2,233	10,190			79099
81017	JEWELLERY OF PRECIOUS METALS		10,076		6,068	81017
81027	COSTUME JEWELLERY N E S				915	81027
84803	TOWELS, COTTON, TERRY LB			763	1,484	84803
84839	WASHCLOTHS, BATH MATS AND SETS LB			4,240	5,258	84839
85059	KITCHEN AND TABLE CUTLERY N E S				4,395	85059
86216	PARTS OF DOMESTIC SEWING MACHINES		968		710	86216
86640	SMOKERS ACCESSORIES N E S		1,316		494	86640
87223	PENICILLIN		11,765			87223
89129	MAGAZINES AND PERIODICALS N E S		900			89129
89341	BOOKS AND PAMPHLETS NES EXC ENGLISH				125	89341
92165	STRINGED INSTRUMENTS AND PARTS NES NO			270	3,354	92165
93001	SHOTGUNS NO	6,820	88,522	17,725	219,475	93001
93016	FIREARMS, NON-MILITARY NES & PARTS NO				236	93016
94608	PAINTINGS AND PASTELS, MADE BY HAND NO	5	1,075	5	125	94608
94620	SCULPTURES AND STATUES, ORIGINAL NO			7	8,395	94620
94640	COLLECTIONS & COLLECTORS ITEMS NES		5,160			94640
94966	NON-ELEC LIGHTING FIXTURES & PT NES				6,130	94966
97030	GOODS RETURNED WITHIN FIVE YEARS		18,384		148,367	97030
97075	SHIPMENTS OF LESS THAN \$200.00 EACH		15,338		15,763	97075
	Total		38,725,287		42,128,313	

Source: DBS Trade of Canada

TABLE III

CANADIAN DOMESTIC EXPORTS TO BRAZIL BY COMMODITIES

1968-1969

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
		QUANTITY	VALUE IN DOLLARS	QUANTITY	VALUE IN DOLLARS	
	BRAZIL					
110	CATTLE, DAIRY, PUREBRED	NO	91	81,300	105	108,657
119	CATTLE, PUREBRED N E S	NO	3	2,250		119
630	BABY CHICKS	NO	21,440	35,440	25,280	54,646
999	LIVE ANIMALS N E S				100	999
4145	SALMON, SMOKED	CWT			9	1,512
4209	COD, LIGHT SALT, 43PC OR LESS MOIST	CWT	832	25,140	1,087	30,433
4212	COD, HEAVY SALT, 43PC OR LESS MOIST	CWT	2,784	70,631		
4441	SALMON, COHO, CANNED	CWT N	9	627		
4442	SALMON, PINK, CANNED	CWT N	10	643	79	5,160
4443	SALMON, SOCKEYE, CANNED	CWT N	5	460		
5114	CHEESE, CHEDDAR	CWT			2,513	111,491
5149	CHEESE N E S	CWT	2,513	101,691		
6119	BARLEY	BU			1,534	3,681
6230	MALT	CWT	76,900	447,756	81,400	434,844
6269	WHEAT FLOUR N E S	CWT	48	249		
7145	PEARS, FRESH	LB	432,000	56,568		
14449	SAUSAGE AND SIMILAR MEAT CASINGS	LB	50,570	52,221	95,955	74,760

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968			JANUARY TO DECEMBER 1969			CLASS
		QUANTITY	VALUE		QUANTITY	VALUE		
			IN DOLLARS			IN DOLLARS		
BRAZIL-CON								
17340	WHISKY	P GAL	711	6,301	506	5,275	17340	
20999	CRUDE ANIMAL AND FISH PROD INED NES			1,976			20999	
21979	NATURAL GUMS AND RESINS N E S	LB			604	329	21979	
24689	MAN-MADE FIBRES N E S	LB	227,503	63,824	2,202	590	24689	
25530	NICKEL IN OXIDE	CWT	341	26,617	155	15,739	25530	
25950	MOLYBDENUM IN ORES AND CONCENTRATES	CWT	182	35,500	2,244	417,400	25950	
27120	ASBESTOS MILLED FIBRES, GROUP 3 GR.	TON	181	71,941	161	62,975	27120	
27130	ASBESTOS MILLED FIBRES, GROUP 4 & 5	TCN	20,222	3,986,075	15,956	3,291,430	27130	
27140	ASBESTOS SHORTS, GROUP 6-9 GRADES	TCN	3,493	246,244	3,781	241,209	27140	
27977	SULPHUR, CRUDE OR REFINED N E S	TON	33,314	1,357,396	9,022	330,326	27977	
29119	TEXTILE RAGS N E S	CWT	321	8,452			29119	
32099	RUBBER FABRICATED MATERIALS N E S	LB	3,055	9,430	4,631	24,192	32099	
34020	WOOD PULP BL. SULPHATE PAPER GRADES	CWT	25,418	145,044	25,404	153,291	34020	
34025	WOOD PULP BL. SULPHITE PAPER GRADES	CWT	1,085	6,528	1,103	7,235	34025	
34030	WOOD PULP, SULPHATE, SEMI-BLEACHED	CWT	1,092	5,530			34030	
34035	WOOD PULP, SULPHATE UNBL. PAPER GR.	CWT	5,511	22,213	4,410	19,519	34035	
34040	WOOD PULP, SULPHITE, UNBL. STRONG	CWT			2,197	15,516	34040	
35109	NEWSPRINT PAPER	CWT	437,501	2,440,811	770,638	4,222,380	35109	
35199	BOOK PAPER N E S	CWT	606	8,980	7,494	100,291	35199	
35599	COATED PAPER, BOARD EXC MACH COATED	CWT	551	13,807	52	4,540	35599	
35970	WALLPAPER, PRINTED	CWT			4	228	35970	
36159	YARN & THREAD, OF 1 MAN-MADE FIBRE	LB	386,841	218,002	72,131	49,156	36159	
36199	YARN AND THREAD N E S	LB			10,932	5,285	36199	
37302	DUCK AND ALLIED FABRICS, COTTON	LB		107			37302	
38176	PAPERMAKERS FELTS, TEXTILE	LB	66,071	368,348	51,729	289,785	38176	
38199	SPECIAL CONSTRUCTION FABRICS N E S	LB	7,493	44,901	22,086	44,797	38199	
38999	TEXTILE FABRICATED MATERIALS N E S			190		500	38999	
39879	ESSENTIAL OILS, NATURAL, SYNTHETIC	LB	1,200	6,444	400	2,000	39879	
40037	SELENIUM	CWT	71	31,845	100	50,618	40037	
40099	CHEMICAL ELEMENTS N E S	CWT	4,473	81,248	10,467	158,619	40099	
40199	INORGANIC ACIDS & OXYGEN COMPS NES	CWT	15	100			40199	
40299	INORG. BASES & METALLIC OXIDES NES	CWT	16,121	195,150	10,722	226,095	40299	
40499	METALLIC SALTS OF INORG. ACIDS NES	CWT	44,423	514,091	49,612	427,762	40499	
40535	RADIOACTIVE ELEMENTS AND ISOTOPES			56,282		71,972	40535	
40599	INORGANIC CHEMICALS N E S	CWT			2	1,082	40599	
40819	PHENOLS, PHENOL-ALCOHOLS AND DERIV.	CWT	22,977	280,809	30,962	361,943	40819	
40839	ETHERS, ALCOHOL PEROXIDES & DERIV.	CWT	198	4,839	1	175	40839	
40859	ALDEHYDE-FUNCTION COMPOUNDS	CWT	198	33,504	132	22,468	40859	
41429	ALCOHOLS AND THEIR DERIVATIVES	CWT	12,189	237,965	16,849	329,477	41429	
41449	ORGANIC ACIDS, ANHYDRIDES AND DERIV	CWT	13,853	155,331	4,361	42,776	41449	
41459	NITROGEN-FUNCTION COMPOUNDS N E S	CWT	740	8,797	558	14,551	41459	
41479	ORGANO-INORGANIC COMPOUNDS	CWT	9,511	166,754	5,511	90,338	41479	
41499	ORGANIC CHEMICALS N E S	CWT	1,104	14,307			41499	
41652	POTASSIUM CHLORIDE, MURIATE			803,354		830,438	41652	
42416	POLYETHYLENE RESINS, NOT SHAPED	CWT	2,200	18,921			42416	
42499	PLASTIC & SYN RUBBER NOT SHAPED NES			519,265		683,474	42499	
42509	PLASTIC FILM AND SHEET	CWT	21	1,524			42509	
42599	PLASTICS BASIC SHAPES AND FORMS NES	CWT	7	513			42599	
42899	STAINS, LACQUERS & RELATED PROD NES					1,781	42899	
42909	INSECTICIDES AND RODENTICIDES	CWT			3	870	42909	
42929	DYESTUFFS, PIGMENTS, LAKES & TONERS	CWT			561	11,255	42929	
42999	INDUS. CHEM SPECIALTIES & EXPLOSIVE			4,126		5,213	42999	
43549	COKE N E S	TON			3,841	202,875	43549	
43903	LUBRICATING OILS AND GREASES	GAL			229	1,012	43903	
44199	FERRO-ALLOYS N E S	TON			3	7,654	44199	
44359	STEEL CASTINGS N E S	CWT	289	9,345	1,599	51,664	44359	
44399	FORGINGS, STEEL N E S	CWT	12	1,416	12	1,418	44399	
44430	BAR, STEEL, HOT ROLLED	CWT	1,215	30,475	4,691	109,405	44430	
44450	WIRE RODS, STEEL, HOT ROLLED	CWT			238	1,837	44450	
44540	SHEET & STRIP CARB STEEL COLD ROLLD	CWT	203	1,570			44540	
44555	SHEET & STRIP CARB STEEL GALVANIZED	CWT	191	1,565			44555	
44599	SHEET AND STRIP, STEEL N E S	CWT	153,703	1,931,458	76,550	817,789	44599	
44899	PIPES AND TUBES, IRON AND STEEL NES	CWT	110	1,346	16	3,020	44899	
44920	WIRE, GALVANIZED	CWT	441	8,835	1,340	27,275	44920	
44949	WIRE ROPE AND MULTIPLE WIRE STRAND	CWT			39	1,508	44949	
45109	ALUMINUM PIGS INGOTS SHOT SLABS ETC	CWT	355,135	8,436,537	362,950	9,451,060	45109	
45129	ALUMINUM BAR ROD PLATE SHEET CIRCLE	CWT	895	49,381	15,515	519,980	45129	
45149	ALUMINUM FABRICATED MATERIALS N E S	CWT	3	439	3,485	154,711	45149	
45204	COPPER, REFINERY SHAPES	CWT	22,686	1,009,666	52,675	2,903,117	45204	
45208	COPPER BARS, RODS AND SHAPES N E S	CWT	22	1,488			45208	
45279	COPPER ALLCY SHAPES AND SECTIONS	CWT			11	1,334	45279	
45285	COPPER ALLOY PIPE AND TUBING	CWT	333	28,538			45285	
45299	COPPER & ALLOY FABRICATED MAT. NES	CWT	20	1,728			45299	
45415	NICKEL ANODES CATHODES INGOTS RODS	CWT	5,866	668,834	4,638	675,493	45415	
45499	NICKEL & ALLOY FABRICATED MAT. NES	CWT	794	107,665	2,476	402,523	45499	
45550	SILVER	TR OZ	6,424	16,848	6,429	12,716	45550	
45708	ZINC BLOCKS, PIGS AND SLABS	CWT	155,445	1,606,896	223,550	2,236,696	45708	
45979	NON-FERROUS METALS N E S	LB	50	281	80	785	45979	
46352	WIRE CLOTH & WOV WIRE SCREENING NES	CWT			5	555	46352	
46559	LOCKS, KEYS AND PARTS					916	46559	
46599	BASIC HARDWARE N E S			150		1,303	46599	
46975	INSULATED WIRE AND CABLE	CWT			7	883	46975	
46980	WELDING WIRE RODS ELECTRODES SOLDER	CWT	1	229			46980	
47262	FIRE BRICK AND SIMILAR SHAPES			14,891		10,852	47262	
47305	COLOURLESS TRANSPARENT SHEET GLASS	SQ FT			542,014	147,588	47305	

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
		QUANTITY	VALUE IN DOLLARS	QUANTITY	VALUE IN DOLLARS	
	BRAZIL-COM					
47499	ASBESTOS BASIC PRODUCTS N E S		754		2,312	47499
47699	ABRASIVE BASIC PRODUCTS N E S		5,657		8,592	47699
49489	FLOORING AND WALL COVERING N E S		2,969		233	49489
49599	NCN-CURRENT-CARRYING WIRING MAT NES				3,951	49599
49660	HOSE AND HOSE COUPLINGS		7,179		5,995	49660
50239	HYDRAULIC TURBINES AND PARTS		31,500			50239
50299	ENGINES, TURBINES AND PARTS N E S		3,828			50299
50319	GENERATORS AND PARTS	NO	878,438			50319
50369	ELECTRIC MOTORS	NO	360			50369
50379	PARTS & ACCESS. FOR ELEC MOTORS NES		1,926			50379
50439	BEARINGS AND PARTS				16,567	50439
50499	POWER TRANSMISSION EQUIP & PTS N E S				174	50499
50739	AIR AND GAS COMPRESSORS AND PARTS		115		1,956	50739
50959	INDUS. FURNACES, KILNS, OVENS & PTS				46,704	50959
50969	FOUNDRY EQUIPMENT AND PARTS N E S				2,606	50969
50980	PUMPS, PUMPING SYSTEMS AND PARTS		12,250			50980
50999	GEN. PURPOSE INDUS. MACHY & PTS NES		716,937		23,406	50999
51019	CONVEYORS CONVEYING SYSTEMS & PARTS	NO			9,446	51019
51039	HOISTING MACHINERY AND PARTS N E S	NO	32,815	3	18,499	51039
51099	MATERIALS HANDLING EQUIP. & PTS NES				5,138	51099
52119	ROCK DRILLING & RELATED MACHY & PTS		67,172		56,109	52119
52139	EXCAVATING, DREDGING EQUIP. & PARTS				186,774	52139
52199	MINING-QUARRYING MACHY & PARTS NES		101,897		36,415	52199
52303	METAL BORING DRILLING MACHY & PARTS	NO	59,662			52303
52329	MACHINE TOOLS METALWORK. & PTS NES		426,109		1,883	52329
52349	WELDING APPARATUS, EQUIPMENT & PTS		3,612		7,090	52349
52396	CUTTING TOOLS FOR METALWORK. MACHY.		28,977		28,439	52396
52399	METALWORKING MACHY, EQUIP & PTS NES		66,333		1,571	52399
52414	CHAIN SAWS	NO	21,568	228	25,809	52414
52415	PARTS & ACCESSORIES FOR CHAIN SAWS		11,477		46,135	52415
52425	SAWS, SAWMILL MACHY EQUIP & PTS NES				921	52425
52924	SHOE-MAKING INDUSTRY MACHY & PARTS		243,274		128,046	52924
52929	CONSTRUCTION MAINTENANCE MACHY & PT		3,337		22,659	52929
52936	CHEMICAL PHARM PROD MACHY AND PARTS		2,058		23,806	52936
52949	PLASTICS INDUSTRY MACHY & PARTS NES		123,686			52949
52959	PULP & PAPER INDUS. MACHY AND PARTS		86,480		7,638	52959
52960	ELECTROTYPES AND STEREOTYPES				3,358	52960
52979	TEXTILE INDUSTRIES MACHY AND PARTS		39,483		60,462	52979
52986	FOOD & BEVERAGE MACHINERY & PTS NES				9,733	52986
52999	SPECIAL INDUSTRY MACHY & PARTS NES		39,593		441	52999
54151	GRAIN DRILLS AND COMBINATION DRILLS	NO		2	2,951	54151
54239	CULTIVATORS AND WEEDERS	NO		220	50,991	54239
54329	HAYING MACHINERY AND PARTS N E S	NO	36,625	12	17,948	54329
54340	SWATHERS OR WINDROWERS AND PARTS	NO	42,437	2	5,040	54340
54372	COMBINE REAPER-THRESHERS	NO	31,531	107	412,196	54372
54373	PARTS FOR COMBINE REAPER-THRESHERS		709		655	54373
54399	HARVESTING & RELATED MACHY & PT NES	NO	2,577			54399
54999	AGRICULTURAL MACHY AND PARTS N E S				4,400	54999
55121	PARTS OF WHEEL TRACTORS		548			55121
57029	LOCOMOTIVES & TENDERS, ENGINES & PT	NO	157			57029
57099	RAILWAY, STREET ROLL STOCK & PT NES	NO	1,786			57099
58019	PASSENGER AUTOMOBILES AND CHASSIS	NO	513,975			58019
58110	HARDTOP SEDANS, NEW	NO		36	79,934	58110
58126	SEDANS, NEW N E S	NO		13	27,501	58126
58133	STATION WAGONS, NEW	NO		3	7,760	58133
58331	TRUCKS & CHASSIS, NOT OVER 6000 LBS	NO	4,460			58331
58985	MOTOR VEHICLE ENGINES AND PARTS	NO	2,919		8,033	58985
58999	PARTS & ACCESS. FOR MOTOR VEH. NES		1,086,796		2,015,654	58999
59015	PLEASURE SPORT CRAFT SELF-PROPELLED	NO		1	43,381	59015
59017	PLEASURE AND SPORTING CRAFT N E S	NO	4,500	1	809	59017
59029	MARINE ENGINES AND PARTS	NO	32,705	393	149,273	59029
59039	PTS & ACCESS. FOR SHIPS & BOATS NES				6,223	59039
60019	AIRCRAFT, COMPLETE WITH ENGINES	NO	10,491,547	6	10,401,941	60019
60039	AIRCRAFT ENGINES AND PARTS	NO	1,022,582		1,237,319	60039
60099	AIRCRAFT ASSEMBLIES EQUIP & PTS NES		288,775		251,762	60099
62149	PNEUMATIC TIRES, NEW N E S	NO		130	28,519	62149
62549	SOLID, CUSHION, REBUILT, USED TIRES	NO	200			62549
63419	TELEPHONE APPARATUS EQUIP AND PARTS		55,417		135,405	63419
63429	TELEGRAPH APPARATUS EQUIP AND PARTS		467			63429
63439	RADAR EQUIP & RELATED DEVICES & PTS		8,166		8,445	63439
63445	SOUND AMPLIFIERS, EXCLUDING PARTS				476	63445
63490	RADIO TRANSMITTING-RECEIVING UNITS				144,927	63490
63499	COMMERCIAL COMMUNICATION EQUIP NES		783,077		20,619	63499
63720	TV RECEIVING SETS, EXC. COMBINATION	NO		1	241	63720
63799	RADIOS, PHONO & RECEIVING ANTENNAE		856			63799
63982	ELECTRONIC TUBES AND PARTS		2,188		4,100	63982
63998	COMPONENTS FOR COMMUNIC. EQUIP. NES		21,841		44,845	63998
65049	HEATING & FUEL BURN EQUIP & PTS NES		11,178		654	65049
65547	REFRIGERATORS & FREEZERS HHOLD SIZE	NO		1	180	65547
68019	ELECTRIC LIGHTING FIXTURES & PARTS		255		183	68019
68028	ELECTRIC LAMPS, BULBS & TUBES & PTS		175,848		15,082	68028
68039	TRANSFORMERS AND PARTS		15,746		61,368	68039
68045	CIRCUIT-BREAKERS AND PARTS		16,240		42,767	68045
68049	SWITCHGEAR & PROTECT EQUIP & PT NES		32,498		723,491	68049
68059	INDUSTRIAL CONTROL EQUIPMENT & PTS		1,675		300	68059

CLASS	COUNTRY AND COMMODITY	JANUARY TO DECEMBER 1968		JANUARY TO DECEMBER 1969		CLASS
		QUANTITY	VALUE IN DOLLARS	QUANTITY	VALUE IN DOLLARS	
	BRAZIL-CON					
68069	WIRING DEVICES AND PARTS		718		4,403	68069
68095	SPARK PLUGS AND PARTS				311	68095
68099	ELEC EQUIP FOR INT CCMBUST ENG & PT				30,114	68099
69793	BATTERIES, WET CELL AND DRY CELL	NO		321	6,740	69793
69899	LAUNDRY EQUIPMENT DOMESTIC & PT NES				398	69899
70009	X-RAY AND RELATED EQUIPMENT & PARTS		45,762			70009
70019	NAVIGATION INSTRUMENTS APPAR. & PTS		15,689		15,319	70019
70029	ELECTRICITY-MEASURING INSTR & PARTS		248,487		323,509	70029
70069	MEDICAL & REL. INSTR EQUIP & PT NES		834		23,058	70069
70079	LAB. OPTICAL INSTR. EQUIP & PTS NES		40,478		36,525	70079
70099	MEASURING & TESTING EQUIP & PTS NES		21,758		145,187	70099
75029	EDGE TOOLS, HAND N E S		3,250			75029
75059	HAND TOOLS N E S, INCLUDING SETS		18,199		12,447	75059
75085	RAZORS AND RAZOR BLADES				25,832	75085
77108	ADDING MACHINES AND PARTS	NO	12			77108
77121	CARD PUNCH SORT TAB COMPUTERS & PTS		2,502,199		1,243,818	77121
77148	TYPEWRITERS, ELECTRIC	NO	30			77148
77152	TYPEWRITERS, PORTABLE N E S	NO	10			77152
77199	OFFICE MACHINES AND PARTS N E S		1,019	100	9,500	77199
77919	SAFETY & SANITATION EQUIPMENT & PTS		2,759		164,905	77919
77999	MISCELLANEOUS EQUIPMENT N E S		962		787	77999
78535	HOSIERY, SEAMLESS OR FULL-FASHIONED	DZ PR	1,740	122	420	78535
78559	HOSIERY N E S	DZ PR		607	2,743	78559
78809	FUR GOODS, APPAREL		19,341		15,212	78809
79012	BOOTS & SHOES MENS & BOYS LAST-MADE	PAIR		60	308	79012
81029	JEWELLERY AND COSTUME JEWELLERY NES		260			81029
82099	SPECIAL TIME RECORDERS AND PARTS				430	82099
83079	GAMES, TOYS, CHILDRENS VEH & PT NES		3,684			83079
84039	CARPETS MATS, SIMIL. FLOOR COVERING		167			84039
85069	TABLEWARE N E S		129			85069
86099	HOUSEHOLD & PERSONAL EQUIP & PT NES				200	86099
87019	BIOLOGICAL PRODUCTS FOR HUMANS		51,914		2,562	87019
87029	ANTIBIOTICS N E S				5,673	87029
87049	VITAMINS AND PREPARATIONS		1,449		2,753	87049
87089	VETERINARY MEDICINE FEED SUPPLEMENT		38,696		15,354	87089
87099	MEDICINAL & PHARMACEUTICAL PROD NES		32,619		40,129	87099
88029	SURGICAL MEDICAL & DENTAL SUPPL NES		10,378		15,256	88029
88035	OPHTHALMIC LENSES	NO	77,646	54,794	29,760	88035
89029	NEWSPAPERS, MAGAZINES & PERIODICALS		37,816		800	89029
89039	BOOKS AND PAMPHLETS		1,533		8,217	89039
89049	MAPS PICTURES GREETING CARDS MUSIC		200			89049
89090	ADVT. MATTER FOR FREE DISTRIBUTION		275		896	89090
89099	PRINTED MATTER N E S		1,529		5,174	89099
90019	STATIONERY & PAPER OFFICE SUPPL NES		16,100		14,554	90019
90099	STATIONERS AND OFFICE SUPPLIES NES		5,160		18,505	90099
91055	MOTION PICTURE FILM, UNEXPOSED	FT		10,500	840	91055
91099	PHOTOGRAPHIC EQUIP. & SUPPLIES NES		10,107		11,920	91099
93099	MILITARY WEAPONS, ORDNANCE & PT NES		288,000			93099
94149	PREFAB. BLDG., STRUCTURES & PTS NES				1,388	94149
96096	PLASTIC END PRODUCTS N E S		804			96096
97010	EXPORT PACKING, RE-USABLE OR UNCLAS		312			97010
97020	CONTRACTORS EQUIPMENT AND TOOLS		1,720			97020
97075	SHIPMENTS OF LESS THAN \$100.00 EACH		4,310		4,335	97075
	COUNTRY TOTAL		48,199,941		50,245,671	

Source: D.B.S. Trade of Canada

IMPORTS OF BRAZIL

TABLE IV

(Value in thousands of US dollars)

Country	1968
United States	684,475
Canada	34,979
Argentina	152,728
Bolivia	415
Chile	20,924
Colombia	2,768
Ecuador	411
Mexico	18,195
Panama	15,037
Paraguay	369
Peru	6,721
Uruguay	7,458
Venezuela	66,708
Belgium-Luxembourg	31,887
France	71,498
Germany, Federal Republic of	235,819
Italy	73,006
Netherlands	33,801
United Kingdom	95,169
Denmark	18,633
Norway	20,557
Sweden	52,001
Austria	5,851
Portugal	9,447
Switzerland	38,705
Iceland	1,305
Ireland	190
Greece	618
Turkey	258
Spain	29,470
Finland	14,766
Yugoslavia	3,803
U.S.S.R.	16,975
Bulgaria	14,653
Czechoslovakia	12,040
Germany, East	26,738
Hungary	3,434
Poland	14,358
Rumania	4,712
Bahrain	3,141
Kuwait	7,001
Libya	3,918
Israel	2,471
Iran	3,994
Iraq	50,237

continued.....

Country	1968
Saudi Arabia	66,220
Australia	867
South Africa	1,095
Nigeria	14,567
Zambia	7,490
Congo D.R.	172
Algeria	11,117
Morocco	2,117
Japan	73,113
India	733
Malaysia	3,496
Singapore	2,890
Hong Kong	1,429
China, Taiwan	142
Philippines	272
Trinidad-Tobago	6,768
Guyana	429
Netherlands Antilles	<u>23,705</u>
Total Imports	2,128,685

